

Cape Agulhas Municipality

Annual Report 2017/18

Resolution 11/2019

31 January 2019



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FOREWORDS

MAYORS FOREWORD



As Executive Mayor of the Southernmost Municipality in Africa, it is my pleasure and privilege to present our Annual Report for the 2017/18 financial year.

The year was my Council's second year of office and even more significantly the first implementation year of the 2017/18-2021/22 Integrated Development Plan (IDP) and Spatial Development Framework (SDF), which were approved on 30 May 2017 for implementation from 1 July 2017.

The first review of the IDP also took place in 2017/18, and the community played a key role by participating in the public participation structures and platforms that we have such as ward committees, IDP meetings quarterly feedback meetings and budget imbizo's. These contributions have enabled us to confirm where our key challenges lie and develop plans to address these challenges and work towards developing sustainable solutions, both internally and in partnership with other stakeholders.

The Annual Report gives us the opportunity to reflect on what we have achieved in terms of our IDP objectives and what our contribution has been to achieving the strategic priorities of the Western Cape Provincial Strategic Plan: 2014 – 2019 as well as the National Development Plan 2030. Each of our goals, objectives and key performance indicators links to these plans to ensure that as a Municipality we contribute to the achievement of Provincial and National goals.

The Municipality did well in the achievement of its objectives for the year and although we were not able to achieve all our objectives, we continuously monitor our performance and where necessary, implement corrective measures.

Despite a small albeit proportionate budget for a Municipality our size, we are leaders in terms of service delivery. We have done extremely well in providing basic services and all households in the Municipality's area of jurisdiction have access to basic services despite very limited funding. We have also focussed on improving our infrastructure to ensure sustainable service delivery. We are also proud to say that our capital budget for the year was utilised effectively and some of our flagship projects include:

- Full blue flag status for Duiker Street Beach in Struisbaai for the second year in a row.
- Upgrading of the Nostra ablution facilities for the disabled.
- 683 stands in Area F Bredasdorp were serviced for the low cost housing development that is planned for 2018/19.
- Upgrading of the ablution facilities at Zwelitsha sport fields
- Upgrading of roads in Napier, Arniston and Bredasdorp low cost housing areas.
- Street lighting was installed in dark spots of the various towns.
- Upgrading of the Overberg Sports Academy with funding from the Department of Culture, Art and Sport

The Cape Agulhas Municipality endeavours wherever possible to create employment through our capital development and maintenance programmes and we are proud to say that we created 673 jobs (118 full time equivalents) during the financial year through the Expanded Public Works Programme.

In conclusion, I would like to express my appreciation and thanks to every community member, Ward Committee Member and Councillor for their contribution. I would also like to thank the management team as

well as every member of staff for their support during the year under review. Our achievements would not have been possible without you.

Cllr Paul Swart
Executive Mayor

MUNICIPAL MANAGERS FOREWORD



Cape Agulhas, the southern-most municipality in South Africa, is a Grade 2 municipality, committed to fulfilling its constitutionally mandated functions and powers. This is all done with limited financial and human resources amongst an ever-growing community need and within a severely constricted macro-economic environment. Nevertheless, the view is held that the Municipality is faring well regarding the delivery of quality and affordable services in a caring manner and by observing the principles of good governance.

In recognition of the fact that we are the sphere of government at the coal face of service delivery, but only responsible for the provision of certain services, the Municipality is constantly seeking better communication and cooperation between ourselves and the relevant sector departments. This is done to ensure that local, provincial and national government actually address the needs of the community as identified in the IDP. Once again as in previous years, the Department of Local Government and Provincial Treasury need to be commended for their continued support and cooperation in giving effect to their Constitutional mandate to support us.

The Municipality received an unqualified, with no matters, audit opinion once again for 2017/18, our fifth consecutive clean audit. Following the 2016/17 audit, an audit action plan was developed to implement recommendations on the audit by the Auditor General. Of the twenty-three non-reportable findings, eighteen were completed and finalised and six are still in progress and transferred to the 2017/18 audit action plan. These findings and recommendations assisted the Municipality to strengthen controls and enhance future audit processes. It should however be noted that even if the audit scope remains the same, the specific focus thereof changes year on year so it becomes challenging to maintain the clean audit status.

The Municipality's debt impairment provision as a percentage of accounts receivable has increased to 47 % (2016/17: 39,6%) which is a relatively high percentage. This is mainly due to the percentage of customers that will not be able to pay for services rendered, due to high unemployment rate of consumers within the Municipal Area.

The creditor payment period has decreased to 44 days from 70 days in 2016/17 and the debt collection period has increased to 63,3 days from 58 days. This is largely attributed to problems encountered with the implementation of the new financial system. We will work hard to increase this figure in the next year to ensure that it will increase significantly. Effective credit control is essential to ensure the future financial sustainability of the municipality.

The year-end bank balance has increased to 96% compared to the previous year that is indicative of adequate cash flow management. This is mainly attributed to investments that matured on 30 June 2018 as well as long term loans received and an increase in the capital replacement reserve, which resulted in a net increase in cash held of R23,4 million from the previous year with a total year-end bank balance of R 47,7 million.

Creditors as a percentage of cash and cash equivalents have decreased to 40,3% from the 112,3% of the previous year. Once again, this is a good indication of better cash management.

In terms of internal management changes on the senior and middle management level, there was none. All the middle and senior manager posts were filled at financial year-end and all of them possess the legislated qualifications and competencies. There were no occurrences of fraud and corruption that needed investigation

for the year under review and the one case reported on in the previous year is still with SAPS. Indications are that the investigation is completed and awaiting a decision from the NPA on the way forward.

The implementation of mSCOA remains a strategic risk as challenges are still experienced on a monthly basis with the system, albeit, that the relevant staff is more familiar with the operation of the system currently. There is ongoing support from the service provider.

In conclusion, I would like to extend our warmest appreciation to our Community, our Councillors, Ward Committees, as well as my management colleagues and their respective staff for their support during this reporting year. The future of this Municipality requires the collective effort of all its stakeholders and my wish is that we all strive towards achieving this collectivism; council, administration and community.

Please take time to browse through this report and your comment thereon is appreciated.

DGI O'Neill
Municipal Manager

CHAPTER 1: EXECUTIVE SUMMARY

1.1 MUNICIPAL OVERVIEW

The 2017/18 Annual Report of the Cape Agulhas Municipality is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA). This Annual Report reflects on the performance of the Municipality for the period 1 July 2017 to 30 June 2018, in relation to its Constitutional objectives, legislated functions and its Integrated Development Plan (IDP).

Section 152 (1) of the Constitution sets out the objectives of local government namely:

- To provide democratic and accountable government to the community;
- To ensure the sustainable provision of services to the community;
- To promote social and economic development;
- To promote a safe and healthy environment;
- To encourage communities and community organisations to get involved in local government matters.

The Constitution assigns a developmental duty to municipalities, which requires them to structure and manage their administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community whilst promoting social and economic development of the community. The functions of municipalities are set out in Schedules 4B and 5B of the Constitution, and municipalities must perform these functions in a manner that enables them to achieve their Constitutional objectives.

Municipal elections took place on 3 August 2016. A new Municipal Council is required to adopt an IDP within one year after the municipal election, and this IDP remains in force for the elected term of office of the Council (Five years). The new IDP (2017/18-2021/22) was approved by Council on 30 May 2017 (Council Resolution 99/2017), and this annual report reflects on the performance of the Municipality in implementing the first year of the new IDP.

1.2.1 VISION, MISSION AND VALUES

The vision, mission and values of the Cape Agulhas Municipality as contained in the 2017/18 – 2021/22 IDP are as follows:

VISION

“Together for excellence
Saam vir uitnemendheid
Sisonke siyagqwesa”

MISSION

“To render excellent services through good governance, public ownership and partnership in order to create a safer environment that will promote socio-economic growth and ensure future financial sustainability in a prosperous southernmost community”

VALUES

Fairness
Integrity
Accountability and responsibility

Transparency Innovativeness Responsiveness
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1.2.2 GEOGRAPHIC AREA

Cape Agulhas Municipality is the southernmost municipality in Africa and falls within the Overberg District of the Western Cape. The Municipality is geographically diverse and comprises an area of 2 411 km². It includes 9 urban settlements namely Bredasdorp which is the administrative seat, Napier, Struisbaai, Arniston / Waenhuiskrans, L’Agulhas, Klipdale, Proteem and Suiderstrand and Elim which is a historical Moravian mission station. It also includes the vast rural areas in between and approximately 178 Km of coastline. The coastline comprises the Atlantic and Indian oceans, which meet at L’Agulhas, the most southern town in Africa.

FIGURE 1 MAP OF CAPE AGULHAS MUNICIPALITY AND WARD DELIMITATION



The following paragraphs provide an overview of each town within the Municipal Area

Bredasdorp



Bredasdorp is centrally located at the intersection of the R316 (which runs between Caledon and Arniston) and the R319 (which runs between Agulhas/Struisbaai and Swellendam. It is also the economic hub of the Cape Agulhas Municipal Area and is home to the biggest concentration of urbanised population. Bredasdorp is also regarded as the administrative capital of the Overberg Region as a number of Government Departments and State Owned Enterprises have established regional offices in this town. The head office of the Overberg District Municipality is also located in Bredasdorp and is strategic for the

development of the local economy of the area. Agriculture is the backbone of the town’s economy but the business and tourism sectors have also grown significantly over the years. Unique tourism products such as the Shipwreck Museum, Heuningberg Nature Reserve and the Anglican Rectory are some of the most important tourism attractions.

Arniston / Waenhuiskrans



The fishing village of Arniston/Waenhuiskrans is situated approximately 24 km southeast of Bredasdorp and is the only town with two official names. The name of the village was derived from a British ship, the Arniston, which ran ashore in this bay in 1815. Waenhuiskrans refers to a large cavern that can only be reached during low tide. The rugged coastline of the continental shelf dominates this unique fishing hamlet with its relatively closely-knit population. Fishermen prior to 1820 occupied the bay in which Arniston/Waenhuiskrans is situated and they called it Kassiesbaai. Kassiesbaai is a well-known and attractively

restored fishing village and a national monument. The backbone of Arniston’s economy is tourism and fishing, and fishermen still go to sea in traditional boats known as chuckys. The Overberg Test Range is situated adjacent to the town.

Struisbaai



Struisbaai, only a few kilometres from L’Agulhas, is renowned for its pristine 14 km beach, which is one of the longest uninterrupted stretches of white sandy beach in the southern hemisphere. Struisbaai is very popular for aquatic sports and its small convenient harbour facility offers boat owners the lure of deep-sea fishing. The route to Struisbaai skirts around the Karsriviervlei and Zoetendalsvlei, which is the largest natural body of fresh water in South Africa. Struisbaai is a secondary economic hub and is a renowned tourist destination. Other attractions in the town include the colourful, bustling Struisbaai

Harbour where visitors can see the traditional fisherman bring in their daily catch and buy fresh fish. Also not to be missed is the resident stingray Parrie making an appearance.

L’Agulhas and Suiderstrand



L’Agulhas is the southernmost town on the African continent. A cairn marks the official position of the southernmost tip of Africa and it is at this longitudinal point that the Atlantic and Indian Oceans officially meet. The town of L’Agulhas developed around the famous lighthouse at Cape Agulhas, which is the country’s second oldest lighthouse - dating back to 1848. The lighthouse is still fully functional and houses the only lighthouse museum in Africa.

Suiderstrand is widely regarded as an extension of the town of L’Agulhas and is situated approximately 10km west of this panoramic coastal town.

Suiderstrand mostly consists of a number of holiday homes along the beach and makes use of all public facilities and services of L’Agulhas.

Napier



Napier is situated 58 km from Caledon and 16 km from Bredasdorp off the N2 on Route 316. Napier originated because of differences between two well-known personalities, Mr Pieter van der Byl and Mr Michiel van Breda who could not agree on where a church should be situated in the district. Neither would give way and thus in 1838 two villages were established. Agriculture, predominantly grain farming is the predominant economic activity of the town and its surrounds. It is also one of the most important wool producing areas in the country. The climate is also favourable for vegetable farming and it is renowned for

its sweet potatoes commonly known as patats. Due to the tranquil and laid-back atmosphere of the town various artists have made Napier their home and their work is for sale at local businesses and art galleries. Napier is also a very popular place for retirees. Attractions include the Kakebeenwa Monument (in memory of the Ossewa Trek) and the Dutch Reformed Church, which was declared a National Monument in 1978 as well as the only sundial in the province located at the Municipal offices built by Danie du Toit in 1965.

Elim



The Elim mission station was founded in 1824 and is predominantly inhabited by members of the Moravian Church. On 12 May 1824 Bishop Hallbeck of the Moravian Church acquired the 2 570 ha farm Vogelfontein from Johannes Schonken. On Ascension Thursday 12 May 1825 the name was changed to Elim (which means *palm trees*). The mission station was established around the original farmhouse built in 1796 by a Huguenot named Louis du Toit. The entire town has been declared a national monument and has also been identified as a cultural historic site. The church has the oldest working clock in South

Africa (more than 250 years old) and one of the most popular draw cards of Elim is the largest wooden waterwheel in South Africa. Elim also has a slave monument dedicated to the emancipation of slaves on 1 December 1938. The Geelkop Nature Reserve near Elim is renowned for the rare dwarf Elim Fynbos and is home to more than 200 plant species, of which 13 are on the Red Data Species List.

Klipdale and Protem



The construction of a railway line to the settlements of Klipdale and Protem and the grain elevator in the area contributed to the establishment and growth of these two settlements. With the completion of the railway line from Cape Town, via Sir Lowry's Pass, to Bredasdorp early in this century, a branch railway line was built from Klipdale (north of Napier) to a station called Protem. Protem or '*pro tempore*' means "for the time being or temporary" and it functioned as a railway halt. The extension of the railway line further into the Overberg

was planned, but never materialised.

1.2.2.1 WARD DELIMITATION

Cape Agulhas Municipality is a municipality with a mayoral executive system combined with a ward participatory system. Wards are demarcated in terms of the Local Government Municipal Demarcation Act (Act 27 of 1998) for municipal election purposes.

Cape Agulhas Municipality was demarcated into six wards for the 2016 Municipal election. This demarcation became applicable from 3 August 2016, and the ward composition is as follows:

TABLE 1 WARD DELIMITATION 2016

WARD	AREA DESCRIPTION
1	Napier, Elim, Spanjaardskloof, Houtkloof and surrounding farming areas,
2	Part of Bredasdorp and Klipdale,
3	Part of Bredasdorp which includes the low cost housing scheme (Kleinbegin), Zwelitsha and Simunye
4	Part of Bredasdorp including the Central Business District, Proteem and surrounding farms
5	Suiderstrand, L'Agulhas, Struisbaai and Haasvlakte
6	Arniston and surrounding Farms, Overberg Test Range, Part of Bredasdorp (Selfbou and Bergsig area)

1.2 DEMOGRAPHIC, SOCIO ECONOMIC AND ENVIRONMENTAL OVERVIEW

1.2.1 DEMOGRAPHIC OVERVIEW

a) Population

The Cape Agulhas Municipality population is 33 038 people according to the 2011 Census, which makes it the smallest municipality in the Overberg District. The table below indicates the total population per town within the municipal area based on the 2011 statistics.

TABLE 2 POPULATION DISTRIBUTION PER TOWN

NAPIER	BREDASDORP	ELIM	ARNISTON	STRUISBAAI	L'AGULHAS	SUIDER-STRAND	FARMS	TOTAL
4 212	15 524	1 412	1 267	3 877	548	44	6 152	33 038

Source: Statistics SA 2011

The total population of Cape Agulhas is estimated to grow from 35 331 in 2018 to 36 773 in 2023. This equates to an estimated growth rate of 4.1% between 2018 and 2023, which is lower than the 5.8% estimated growth of the Overberg District for this period.

TABLE 3 POPULATION PROJECTIONS

2018	2019	2020	2021	2022	2023
35 331	35 637	35 934	36 223	36 503	36 773

Source: Socio-Economic profile 2017

The table below depicts the projected population composition of age cohorts:

TABLE 4 AGE COHORTS

YEAR	CHILDREN: 0-14 YEARS	WORKING AGE: 15-65 YEARS	AGED: 65+	DEPENDENCY RATIO
2011	7736	22343	2952	47.9
2018	8001	23629	3701	49.5

2023		8276	24257	4241	51.6
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Source: Socio Economic Profile 2017

The comparison of the base year of 2011 and the estimated numbers for 2023 show a growth in the percentage of seniors and children. This is an important factor in the calculation of the dependency ratio. In Cape Agulhas, this ratio was 47.9% in 2011 and is estimated to increase to 51.6% in 2023.

b) Population by gender and race

The Coloured racial group constitutes the largest proportion of the population in the Cape Agulhas Municipal Area as well as in the Overberg District and makes up 66.2% of the population. The remaining composition of the population is 21.8% White, 0.3% and 11.6% African.

TABLE 5 POPULATION BY GENDER AND RACE

GENDER	BLACK AFRICAN	COLOURED	INDIAN OR ASIAN	WHITE	OTHER	TOTAL
Male	2178	10377	54	3419	201	16229
Female	1630	11285	57	3730	107	16808
Total	3808	21662	111	7149	308	33038

Source: StatsSA census 2011 (2016 Boundaries)

c) Population by age and gender distribution

The population is fairly equally distributed in terms of gender, which is in line with South African, Western Cape and ODM trends. The following table shows the composition of the population in terms of gender and age.

TABLE 6 AGE AND GENDER COMPOSITION

AGE	MALE	FEMALE	GRAND TOTAL
0 - 4	1356	1335	2691
5 - 9	1195	1211	2406
10 - 14	1342	1301	2643
15 - 19	1247	1406	2653
20 - 24	1354	1351	2705
25 - 29	1411	1396	2807
30 - 34	1158	1009	2167
35 - 39	1131	1111	2242
40 - 44	1226	1271	2497
45 - 49	1087	1178	2265
50 - 54	999	1025	2024
55 - 59	762	799	1561
60 - 64	642	780	1422
65 - 69	518	579	1097
70 - 74	378	472	850
75 - 79	237	272	509
80 - 84	129	188	317
85 - 89	35	77	112
GRAND TOTAL	16207	16761	32968

Source: StatsSA census 2011

The following table shows the gender composition per ward.

TABLE 7 GENDER COMPOSITION PER WARD

Gender	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
Male	3164	3186	2684	2748	2604	1844	16229
Female	3391	3343	2588	2865	2764	1858	16808
Total	6555	6529	5272	5613	5368	3701	33038

Source: StatsSA census 2011 (2016 Boundaries)

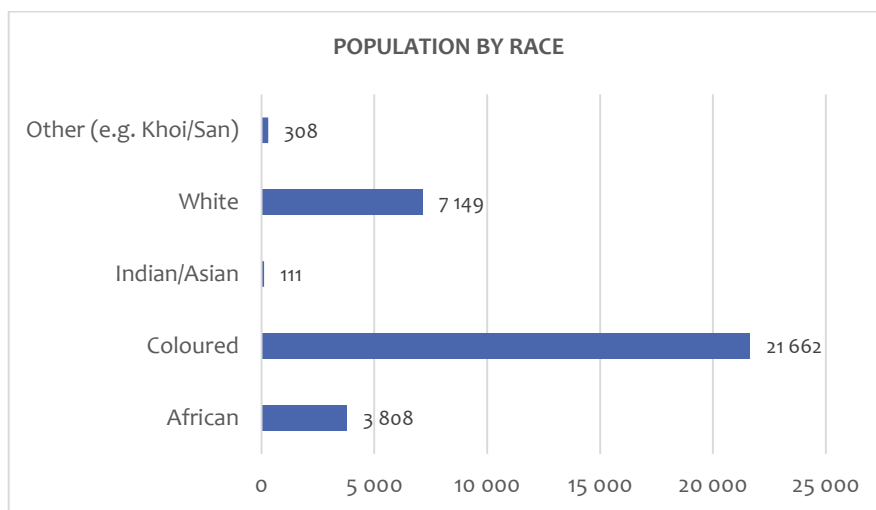
d) Population by race

TABLE 8 POPULATION BY RACE

RACE	TOTAL
African	3 808
Coloured	21 662
Indian/Asian	111
White	7 149
Other (e.g. Khoi/San)	308
Total	33 038

Source: Statistics SA 2011

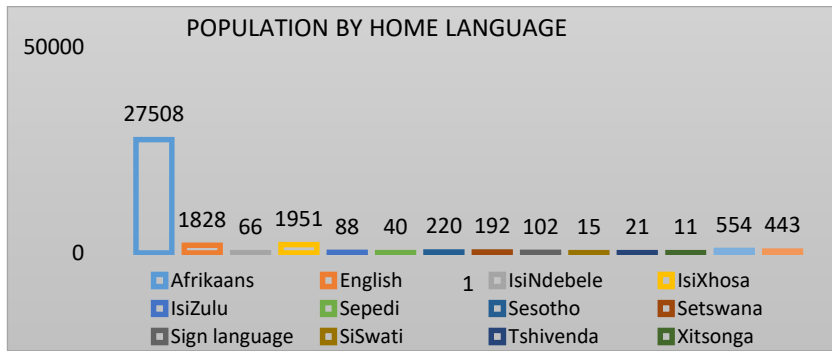
TABLE 9 POPULATION BY RACE



e) Population by language

The predominant language in the Municipal Area remains Afrikaans, which is spoken by the majority of the population, followed by isiXhosa and English.

FIGURE 2 POPULATION BY HOME LANGUAGE



Source: StatsSA census 2011

f) Farmworker demographics

The Western Cape Department of Agriculture conducted a survey to provide comprehensive data on the state of farmworkers within the Cape Winelands region of the Western Cape and took the analysis to local municipal level. Cape Agulhas was also included in this study. The total study covered 6086 households with 23202 individuals living in these households. The lowest number of households and individuals was within the Cape Agulhas Municipal Area with a sample of 526 and 142 households. The following table provides a demographic profile of the Cape Agulhas farmworkers.

TABLE 10 DEMOGRAPHIC PROFILE: FARM WORKERS

CATEGORY	INDICATOR	NO/%
Demographics	Number of Farms	27
	Number of Households	142
	Population	526
Healthcare Services	Impaired Vision	19.72%
	Difficulty with self-care	7.75%
	Employed	10%+
Type of dwellings	Mud house	2
	RDP house	1
	Brick house	79
	Informal dwelling	6
	Back room	1
	Caravan/Tent	2
	Other	6

The table below illustrates the age distribution on Cape Agulhas Farms:

TABLE 11 AGE DISTRIBUTION ON FARMS

AGE BANDS	TOTAL
0	15.18%
1-7	14.78%
8-14	9.11%
15-19	27.94%
20-35	21.26%
36-50	10.53%
51-65	1.21%

1.2.2 HOUSEHOLDS

In order to ensure basic service delivery to all, municipal budget allocations are informed by credible and accurate assumptions regarding the number of households within a municipal area. Access to formal housing and services in Cape Agulhas is measured against a total number of households of 10 162 in 2011 and 11 321 in 2016.

TABLE 12 HOUSEHOLDS

2011	2016	Average annual change 2011-2016	Average annual growth 2011-2016
10 162	11 321	232	2.2%

Source: Socio-Economic Profile 2017

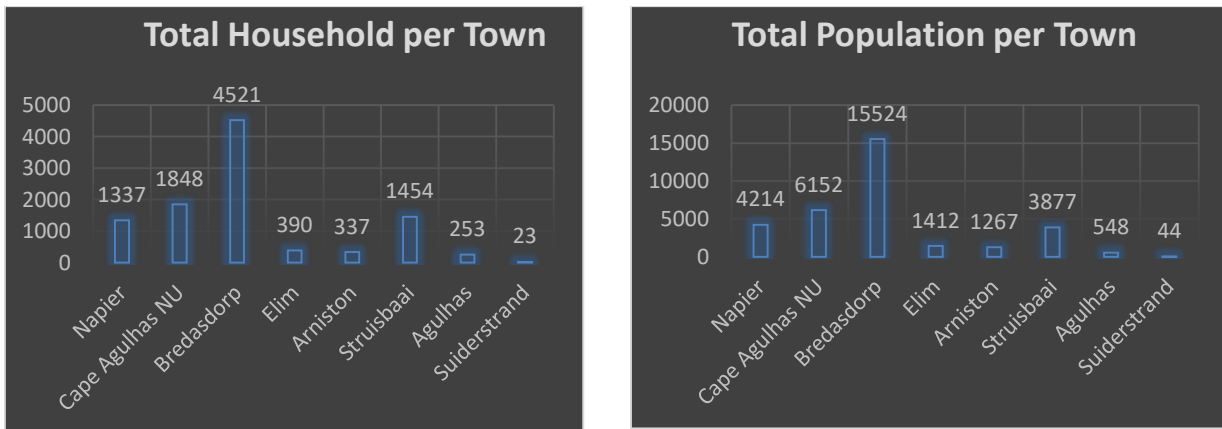
TABLE 13 INDIGENT HOUSEHOLDS

HOUSEHOLDS	2015/16	2016/17	2017/18
Number of indigent and poor households in municipal area	3419	3559	3145

Source: MERO 2017 read with CAM Indigent Register

The following graphs provides an overview of the population and households per town.

FIGURE 3 TOTAL HOUSEHOLDS PER TOWN



Source: StatsSA census 2011

1.2.3 SOCIO ECONOMIC OVERVIEW

a) Key economic activities

The Municipality is dependent on the following economic activities:

TABLE 14 KEY ECONOMIC ACTIVITIES

KEY ECONOMIC ACTIVITIES	DESCRIPTION
Agriculture and Agro-processing	Agriculture is one of the most important economic sectors of the Cape Agulhas Municipality.

	<ul style="list-style-type: none"> ○ Agriculture - Livestock farming, ostriches, wheat crops, canola, vegetables, dried flowers, grapes and olives. ○ Agro-processing - Dairy products, wool, mutton, meat, wine, oilseed, ostrich meat, geese feathers and down. <p>Bredasdorp has been identified as the location for an Agri Park, which will also contribute to this sector.</p>
Tourism	<p>Tourism is also one of the most important economic sectors of the Cape Agulhas Municipality, and the sector with the most growth potential.</p> <p>One of the most distinctive tourist attractions, which has the potential to become the single most branded item of the region is the southernmost tip of the African continent. The tourism industry includes:</p> <ul style="list-style-type: none"> ○ Nature Based Tourism (fynbos, fauna & flora species); ○ Adventure Tourism (horse riding, mountain biking, paintballing, quad biking, kayaking); ○ Marine Tourism (whale watching, fishing, De Hoop and De Mond marine conservation areas); ○ Family Holidays (beaches & play parks); ○ Agri Tourism (wine farms); ○ Cultural and Heritage Tourism (lighthouse, Elim, shipwrecks); ○ Business Tourism (conferences, events, teambuilding); ○ Events Tourism (Foot of Africa marathon, Overberg Air Show, Napier Patatfees, Agri Mega Week, Heartbeat Christian Festival, Cape Floral Kingdom Expo, Arniston Weekender).
Fishing and Mari-culture	<p>Cape Agulhas contributes significantly to the Cape line-fish industry. Mari-culture and the processing of marine products like saltwater- and freshwater fish farms, abalone farm, mussels and seaweed cultivation, have the potential to become a very lucrative industry for the area. There is potential for our natural resources to be harvested and processed for commercial use.</p>
Trade/SMME/Informal Enterprise Development	<p>The trading industry has remained one of the dominant economic sectors in the Municipal Area during the past 10 years Cape Agulhas already has a vibrant SMME sector, which is an important component of any regional economy because it employs local labour and increases the local buying power. The type of activities that form part of the informal economy includes hawkers, spaza shops and shebeens.</p>
Natural Resource Economics	<p>Our biodiversity is a unique feature of this region, which can be utilised as a catalyst to stimulate the economic growth of the region. Properly managed eco-tourism holds great potential as an economic incentive for conservation, especially with regard to job creation. One of the greater economic benefits of the natural resources on the Agulhas Plain is the abundant variety of wildflower species.</p>
Construction	<p>The contribution of this sector is becoming increasingly important. A challenge is the skills shortages that exist in the sector. Most of the construction workers have low skills levels and there is a shortage of management level skills. The Municipality tries to ensure sufficient access to business opportunities for local contractors within its procurement capabilities. The construction of the Anene Booysen Skills Centre in partnership with the Construction SETA will also assist in this regard.</p>
Manufacturing	<p>One of the major challenges for the manufacturing industry particularly in the Cape Agulhas Municipal Area is the steep increase in agriculturally based food prices. Opportunities should be identified for innovative products that can be manufactured to address local demands instead of focussing on the export market.</p>

b) Socio economic growth indicators

TABLE 15 SOCIO ECONOMIC GROWTH INDICATORS

FINANCIAL YEAR	HOUSING BACKLOG*	UNEMPLOYMENT RATE	HOUSEHOLDS WITH NO INCOME	SKILLS PROP. OF POP. – LOW SKILLED EMPLOY	PEOPLE OLDER THAN 14 YEARS ILLITERATE	HIV/AIDS PREVALENCE	URBAN/RURAL HOUSEHOLD SPLIT
2011/12	4 331	13.8%	15.2%	40%	26%	2.8%	83.2/16.8%
2012/13	3 726	Statistics only available on provincial level and not on municipal level					
2013/14	3 319	Statistics only available on provincial level and not on municipal level					
2014/15	3 411	Statistics only available on provincial level and not on municipal level					
2015/16	3505	Statistics only available on provincial level and not on municipal level					
2016/17	3594	Statistics only available on provincial level and not on municipal level					
2017/18	3685	Statistics only available on provincial level and not on municipal level					

*Source: Municipal housing database

1.2.4 ENVIRONMENTAL OVERVIEW

The Environment is a concurrent National and Provincial competency in terms of Part A of Schedule 4, of the Constitution. The Municipal Systems Act requires municipalities to work together with other organs of state to contribute to the progressive realisation of the right to environment (Section 23). The Bill of rights (Section 24) states that

“Everyone has the right -

- a) to an environment that is not harmful to their health or well-being; and
- b) to have the environment protected, for the benefit of present and future generations through reasonable legislative and other measures that;
 - i. prevent pollution and ecological degradation
 - ii. promote conservation
 - iii. secure ecologically sustainable development and use of natural resources while
- c) promoting justifiable economic and social development”

One of the biggest attributes of the Municipal Area is its natural environment, which attracts thousands of tourists to this area on a daily basis. Our natural environment is the foundation of our tourism industry, and plays a key role in the agriculture industry. It is therefore imperative that our planning and decision making support the principles of sustainable development.

a) Coastal management

The Overberg coastline is about 330km long and stretches over jurisdictional areas of three local municipalities. Approximately 178Km of this coastline is in the Cape Agulhas Municipality.

The Overberg District Municipality (ODM) plays a key role in coastal management, and have developed an integrated Coastal Management Plan (ICMP) for the District as a whole. The ICMP co-ordinates the roles of each of the local municipalities in coastal management. ODM is also in process of doing a pilot coastal access strategy.

The coast is a critical source of economic opportunity including:

- Tourism and eco-tourism activities: such as whale watching, bird watching, hiking, recreational fishing, blue flag beaches and several heritage sites such as the shell middens, historic fisherman’s cottages, the Cape Agulhas Lighthouse, most southern point of Africa and the Waenhuiskrans Cave.
- Marine living resources: There are two proclaimed fishing harbours in the Municipal Area namely Arniston and Struisbaai. The fishing communities along the coast are highly dependent on subsistence fishing.

b) Climate change

The impacts of climate change such as floods, droughts, changes in rainfall patterns and temperature, all have serious implications for local municipalities and the communities they serve. Climate change cannot only be limited to natural disasters but it also has economic and social impacts that will need to be accounted for.

Climate change affects multiple systems and so risks from climate change require a systemic and coordinated response. From a practical perspective, this requires input, agreement and collaboration from various stakeholders. Both government entities and the private sector should therefore respond to these impacts through mainstreaming climate change mitigation and adaptation into its way of doing business. Climate change also holds significant opportunities namely:

- Mainstreaming climate change into municipal planning through the Overberg District Municipality Climate Change Response Framework;
- Through the establishment of partnerships, secure the implementation of climate change mitigation and adaptation projects; and
- The National Strategic Environmental Assessment (SEA) for the efficient and effective rollout of wind and solar PV energy in South Africa highlighted the Overberg area as a strategic Renewable Energy Development Zone for large-scale wind energy projects in which significant negative impacts on the natural environment are limited and socio-economic benefits to the country are enhanced.

c) Biodiversity management

Cape Agulhas is a signatory to the internationally recognised ICLEI Durban Commitment, which is a long term political commitment to the protection of biodiversity. The Municipality also plays a key role in bioregional planning and biodiversity management and is a commenting authority for any development applications. Comments are provided in accordance with set criteria which are based on the principles of sustainability (which includes the protection and conservation of endangered/threatened ecosystems, CBAs and ESAs), is used. Biodiversity conservation guidelines informing the abovementioned criteria are:

- The Western Cape’s Spatial Biodiversity Plan;
- ODM GIS database and Spatial Development Framework (SDF);
- Cape Agulhas GIS database and Spatial Development Framework (SDF);
- National list of ecosystems that are threatened and in need of protection.

TABLE 16 ENDANGERED ECOSYSTEMS

CRITICALLY ENDANGERED	ENDANGERED	VULNERABLE
Cape Lowland Alluvial Vegetation	Agulhas Sand Fynbos	Agulhas Limestone Fynbos
Central Rûens Shale Renosterveld	Greyton Shale Fynbos	Albertinia Sand Fynbos
Eastern Rûens Shale Renosterveld	Hangklip Sand Fynbos	Boland Granite Fynbos
Elgin Shale Fynbos	Potberg Ferricrete Fynbos	Cape Winelands Shale Fynbos
Elim Ferricrete Fynbos	Western Cape Milkwood Forest	Hawequas Sandstone Fynbos

Kogelberg Sandstone Fynbos		Montagu Shale Renosterveld
Overberg Sandstone Fynbos		Swellendam Silcrete Fynbos
Rûens Silcrete Renosterveld		
Western Rûens Shale Renosterveld		

d) Air quality

Air quality management has been implemented at Cape Agulhas Municipality in terms of the following legislation:

- Constitution of the Republic of South Africa (1996), section 156(2), schedule 4 Part B and schedule 5 Part B;
- National Environmental Management Act: Air Quality Act, 2004 (Act No.39 of 2004) the 2012 National Framework for Air Quality Management.

In terms of the above municipalities are responsible for interalia:

- Development and implementation of air quality management Plans for particular areas
- The setting up of source emission inventories
- Setting up ambient air monitoring networks
- Setting up of community monitoring forums
- Development of standards in line with national baseline standards
- By-laws

The Municipality also has an approved Air Quality Management Plan (AQMP), which guides its activities as well as a Cape Agulhas Air Quality By-Law (2014).

1.3 BASIC SERVICE DELIVERY OVERVIEW

Government policy places specific emphasis on the provision of basic services, which entail the provision of electricity, water, sanitation and waste collection. These services also underlie the delivery of housing, which is a concurrent Provincial and National Government competency.

The following paragraphs provide an overview of basic service delivery highlights and challenges in respect of each service. Full detail on basic service delivery for 2017/18 is contained in Chapter 3.

1.3.1 BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

The following paragraphs provide an overview of the Municipality’s service delivery highlights.

TABLE 17 BASIC SERVICE DELIVERY HIGHLIGHTS

SERVICE	DESCRIPTION
Water provision	<ul style="list-style-type: none"> ▪ Reduction of water losses from 17.48% to 13.80% ▪ Good water quality, the average water quality (SANS 241) for the year is 95.40% ▪ Two boreholes in Bredasdorp were rehabilitated to mitigate the impact of the drought
Waste water provision (Sanitation)	<ul style="list-style-type: none"> ▪ The design and development of contract documentation for the rehabilitation of the Waste Water Treatment Works in Bredasdorp commenced

Electricity provision	<ul style="list-style-type: none"> ▪ Unaccounted for electricity is 6.93% which is well below the norm. ▪ The electrification of 140 plots in Bredasdorp in preparation for the planned low cost housing development in Area F. ▪ Installation of numerous streetlights and floodlights in all wards. ▪ Maintenance of street lights in the Eskom supply areas in accordance with an agreement concluded with Eskom
Waste management (Refuse removal)	<ul style="list-style-type: none"> ▪ Waste management is used as an opportunity to create jobs through the Municipality's EPWP Programme. ▪ The community identified a need for wheelie bins, and this was investigated as part of the regional landfill site investigation. As a result, the Council budgeted for the implementation of wheelie bins throughout the Municipal Area over the course of two financial years.
Roads and storm water	<ul style="list-style-type: none"> ▪ A stormwater canal was constructed in Bredasdorp using labour intensive methods in preparation for the planned low cost housing development in Area F. ▪ 4.45 Km roads were also upgraded in Area F ▪ 802.8 Square metres of paving was done in Bredasdorp ▪ The upgrading of the Struisbaai industrial road was completed
Human settlement	<ul style="list-style-type: none"> ▪ 55 Title Deeds were restored from the old Housing Schemes and 151 Title Deeds was received from the Transferring Attorneys for the Struisbaai Housing Project in the financial year under review ▪ 683 stands were serviced in Area F, Bredasdorp in preparation for the planned low cost housing development.

1.3.2 BASIC SERVICE DELIVERY CHALLENGES

The following paragraphs provide an overview of the Municipality's service delivery challenges.

TABLE 18 BASIC SERVICE DELIVERY CHALLENGES

SERVICE	DESCRIPTION	ACTIONS
General infrastructure	<ul style="list-style-type: none"> ▪ The Municipality does not have an Infrastructure Growth and Development Plan (IGDP) 	<ul style="list-style-type: none"> ▪ A consulting Engineer was appointed for the development of an Infrastructure Growth and Development Plan, which will be rolled out in 2018/19
	<ul style="list-style-type: none"> ▪ Ageing infrastructure. 	<ul style="list-style-type: none"> ▪ Infrastructure maintenance is addressed in the approved Long Term Financial Plan.
Water provision	<ul style="list-style-type: none"> ▪ Outdated Water Services Development Plan 	<ul style="list-style-type: none"> ▪ A consulting Engineer was appointed for the development of a new Water Services Development Plan, which will be rolled out in 2018/19
Waste water provision (Sanitation)	<ul style="list-style-type: none"> ▪ Waste water quality and compliance with green drop standards 	<ul style="list-style-type: none"> ▪ A consulting Engineer was appointed for the design and development of contract documentation for the rehabilitation of the Waste Water Treatment Works in Bredasdorp. Phase 1 of the project will commence in 2018/19
Electricity provision	<ul style="list-style-type: none"> ▪ Eskom Capacity constraints, which 	<ul style="list-style-type: none"> ▪ Council approved the Small Scale Embedded Generation Policy and contract

SERVICE	DESCRIPTION	ACTIONS
	will limit development.	
Waste management (Refuse removal)	<ul style="list-style-type: none"> Bredasdorp Landfill site capacity 	<ul style="list-style-type: none"> An Investigation was done on the feasibility of a shared landfill site. The process will be taken forward in 2018/19
	<ul style="list-style-type: none"> Illegal dumping 	<ul style="list-style-type: none"> Recycling is encouraged to lengthen the lifespan of the landfill sites. Law enforcement and awareness campaigns are ongoing to address illegal dumping.
Roads and storm water	<ul style="list-style-type: none"> Extensive gravel roads that need to be maintained 	<ul style="list-style-type: none"> Re-gravelling of sections of road on an annual basis with budget available.
	<ul style="list-style-type: none"> Storm water backlogs due to inadequate storm water systems 	<ul style="list-style-type: none"> Systematic annual upgrade of storm water system with budget available in accordance with master plans.
Human settlement	<ul style="list-style-type: none"> Living conditions of backyard dwellers and people living in informal settlements 	<ul style="list-style-type: none"> Council has a strategy to start addressing the housing needs for the affordable market and to make available serviced plots for beneficiaries earning R3501-R7000.

1.3.3 HOUSEHOLD ACCESS TO BASIC SERVICES

The Municipality is providing basic services at the prescribed level to all urban households within its area of jurisdiction and there are no backlogs. The ongoing increase of indigent households is placing ever-increasing financial pressure on the Municipality to fulfill its obligations.

TABLE 19 PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES

DESCRIPTION	2015/16	2016/17	2017/18
Electricity - service connections	100%	100%	100%
Water - available within 200m from dwelling	100%	100%	100%
Sanitation - Households with at least VIP service	100%	100%	100%
Waste collection - kerbside collection once a week	100%	100%	100%

1.4 FINANCIAL HEALTH OVERVIEW

The following paragraphs provide an overview of the financial performance highlights and challenges and key trends. Full detail on financial performance for 2017/18 is contained in Chapter 5.

1.4.1 FINANCIAL VIABILITY HIGHLIGHTS

TABLE 20 FINANCIAL VIABILITY HIGHLIGHTS

HIGHLIGHT	DESCRIPTION
Clean audit	The Municipality achieved a clean audit in 2017/18 for the fifth consecutive year

Debt Collection	The debt collection rate is 96.50%
Creditor payments	Creditors are being paid within the 30 day limit
Long term financial viability	Council approved a revised and updated Long Term Financial Plan Strategy (LTFP) as well as a Revenue Enhancement Strategy implementation plan for rollout per set target date.
mSCOA	The Municipality was able to meet National Treasury's mSCOA requirements

1.4.2 FINANCIAL VIABILITY CHALLENGES

TABLE 21 FINANCIAL VIABILITY CHALLENGES

CHALLENGE	ACTION TO ADDRESS
Employee related costs	Employee related costs are 39,74%, slightly less than National Treasury's norm of between 30 -40%. The Municipality completed a productivity study during the 2017/18 financial year, and approved a new macro organogram whereby a number of positions not fully utilized became redundant and scrapped from the personnel structure. The Municipality only considers the filling of legislative required and / or service delivery orientated positions.
Bulk electricity purchases	Increasing costs of bulk purchases of electricity from Eskom coupled limitations on tariffs imposed by NERSA. Ongoing review and update of the current tariff structure aligned with NERSA's tariff benchmark guideline for electricity and other services continues in in order to be more transparent, fair and equitable
Increasing of reserves	By applying a mix of other sources for capital funding aligned with the Municipality's LTFP recommendations, the Municipality embarked on a process to introduce external borrowing as an additional source of funding for infrastructure related capital projects. The Municipality managed to improve its cash position and as a result could increase the capital replacement reserve to R30 million for the financial year under review

1.4.3 FINANCIAL VIABILITY (RATIO'S) -

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area of Municipal Financial Viability and Management.

TABLE 22 NATIONAL KPI'S FOR FINANCIAL VIABILITY AND MANAGEMENT

KPA & INDICATOR	2015/16	2016/17	2017/18
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year) (Higher is better)	232,10	324,72	72.82
Service debtors to revenue – (Total outstanding service debtors: revenue received for services) (Lower is better)	9.79	8.18%	10.470

Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure (Higher is better)	0.79	1.18	2.26
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1.4.4 FINANCIAL OVERVIEW

TABLE 23 FINANCIAL OVERVIEW 2017/18

DETAILS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
Income	57 206	58 299	37 463
Grants - Operational	13 001	18 104	12 456
Grants - Capital	226 814	213 000	211 080
Taxes, Levies and tariffs	27 895	33 254	51 999
Other	324 916	322 657	312 998
Sub Total	321 162	314 262	290 748
<i>Less: Expenditure</i>	3 754	8 395	22 250
Net Total*	57 206	58 299	37 463

1.4.5 OPERATING RATIO'S

TABLE 24 OPERATING RATIOS

DETAIL	EXPECTED NORM	ACTUAL	VARIANCE
Employee Cost (Inclusive of temporary workers – GRAP 1 disclosure requirements according to the nature of function performed)	<35-40%	39.74%	4.74% above minimum norm
Finance charges & depreciation	<10%	10.39%	0.39% above norm

The Municipality's expenditure on employee related costs is above the national norm. The finance charges are also well below the norm due to the Municipality's conservative approach to taking up new external loans to fund capital investment.

1.4.6 TOTAL CAPITAL EXPENDITURE

TABLE 25 TOTAL CAPITAL EXPENDITURE

DETAIL	2015/16 R'000	2016/17 R'000	2017/18 R'000
Original Budget	21 871	24 631	29 682
Adjustment Budget	25 511	25 452	34 217
Actual	21 286	24 280	32 033
% Spent	21 871	24 631	29 682

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Cape Agulhas Municipality currently employs 347 people (excluding non-permanent employees), who individually and collectively contribute to the achievement of the Municipality’s objectives. The primary objective of the Human Resource Department is to render an innovative human resource service that addresses both human resource development and human resource administration.

The following paragraphs provide an overview of organisational development highlights and challenges. Full detail on organisational development for 2017/18 is contained in Chapter 4.

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

TABLE 26 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

HIGHLIGHT	DESCRIPTION
Productivity assessment	<ul style="list-style-type: none"> The Province funded an Organisational Productivity Assessment to enable us to assess our employee utilisation, and enable us to make optimal use of our current human resources without increasing our annual personnel expenditure.
Skills development	<ul style="list-style-type: none"> The Municipality fully utilised its skills development allocation in 2017/18 A Recognition for Prior Learning (RPL) Programme funded internally and externally in partnership with North Link TVET College was implemented. Approximately 67 Infrastructure Services and Management Services employees were initially assessed 55 employees are now eligible to be trained as artisans.
Employment equity	<ul style="list-style-type: none"> Council approved a new Employment Equity Plan on 27 September 2017
Low vacancy rate	<ul style="list-style-type: none"> The vacancy rate is 4.41%
Organisational Structure	<ul style="list-style-type: none"> The revised Organisational Structure was approved 7 December 2017 and further revisions approved 22 June 2018

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

TABLE 27 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

CHALLENGE	ACTION TO ADDRESS
Implementation of the Employment Equity Plan	A concerted effort was made to implement the Municipality’s Employment Equity Plan and achieve the goals and targets contained therein. Through training and development initiatives, we have created a pool of qualified local internal employees, mostly females, for possible opportunities when there are vacancies.
Individual performance management	The efficacy of individual performance management remains a challenge. Various workshops and training initiatives were convened for managers and supervisors to address this.

1.5.3 EMPLOYMENT EQUITY

TABLE 28 2017/18 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION FOR TOP THREE LEVELS OF MANAGEMENT

AFRICAN			COLOURED			INDIAN			WHITE		
TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED
4	0	0%	1	1	100%	0	0	0%	1	0	0%

TABLE 29 2017/18 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION (All employees)

AFRICAN			COLOURED			INDIAN			WHITE		
TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED
22	2	9.09%	17	4	23.5%	1	0	0%	4	1	25%

TABLE 30 2017/18 EMPLOYMENT EQUITY TARGETS/ACTUAL BY GENDER CLASSIFICATION

MALE			FEMALE			DISABLED		
TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED
18	6	33.33%	23	1	4.38%	2	1	50%

1.5.4 SKILLS DEVELOPMENT

TABLE 31 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT

YEAR	TOTAL OPERATIONAL BUDGET	TOTAL ALLOCATED FOR TRAINING	TOTAL SPENT	% SPEND
2016/17	R 279 470 030.00	1 450 000.00	R1 222 683.00	0.43%
2017/18	R 115,542,164.00	1450 000.00	R1 398 351.05	1.19%

1.6 AUDITOR GENERAL REPORT

The Municipality received a clean audit for 2017/18, and has maintained its record of unqualified audits with no matters (clean audit) for five successive years. This emphasizes the Municipality’s commitment to clean administration and good governance.

An action plan (OPCAR) with corrective measures was drawn up to address the findings from the 2017/18 audit. This plan is monitored and progress evaluated on a monthly basis by the Internal Auditor and the CFO. This plan is a standing item on the Municipal Manager’s monthly Directors meeting and is submitted to Council during their monthly meetings, as well as the Audit and Performance Audit Committee during their quarterly meetings.

1.6.1 AUDIT OUTCOMES

TABLE 32 AUDIT OUTCOMES

YEAR	2014/15	2015/16	2016/17	2017/18
STATUS	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters

CHAPTER 2: GOVERNANCE

This Chapter provides an overview of the Municipality’s performance in terms of the National Key Performance Area (KPA) of **good governance and public participation** as contained in the Local Government: Municipal Planning and Performance Management Regulations of 2001 read together with Section 43 of the MSA.

2.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance has eight major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

2.1.1 GOVERNANCE STRUCTURE

2.1.1.1 POLITICAL GOVERNANCE STRUCTURE

Legislative and executive authority is vested in the Municipal Council. The Municipal Council has delegated its executive functions to the Executive Mayor and the Mayoral Committee in accordance with a delegation framework in terms of Section 59 of the Municipal Systems Act. A new system of delegations was approved on 18 April 2018 (Resolution 42/2018)

Section 79 of the Municipal Structures Act empowers the Municipal Council to establish committees that are necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers. It appoints the chairperson of such committees, determines the functions and may delegate powers and duties. Section 80 of the Municipal Structures Act makes provision for the appointment of committees to assist the Executive Mayor. These committees are commonly known as Portfolio Committees.

a) Municipal Council

The Municipal Council comprises eleven Councillors, six of whom are Ward Councillors and five of whom are Proportional Representation (PR) Councillors. The Council is now led by the Democratic Alliance (DA).

Section 37(c) of the Municipal Structures Act requires Municipal Councils to meet a minimum of quarterly. 14 Council Meetings took place during the year. There were 10 ordinary meetings and 4 special meetings.

TABLE 33 COUNCIL MEETINGS

DATE	SPECIAL / ORDINARY
4 July 2017	Special
29 August 2017	Ordinary
12 September 2017	Special
26 September 2017	Ordinary
31 October 2017	Ordinary
7 December 2017	Ordinary
30 January 2018	Special
9 March 2018	Special
27 March 2018	Ordinary

DATE	SPECIAL / ORDINARY
18 April 2018	Ordinary
29 May 2018	Ordinary
22 June 2018	Special

The table below provides a list of Councillors, their office and political affiliations. It also indicates whether they served as a ward or proportional Councillor for the 2017/18 financial year.

TABLE 34: COUNCILLOR REPRESENTATION AND MEETING ATTENDANCE

COUNCIL MEMBER	CAPACITY	POLITICAL PARTY	WARD OF PROPORTIONA L	COUNCIL MEETING ATTENDANCE %	APOLOGIES FOR NON-ATTENDANCE %
PJ Swart	Executive Mayor / Ward Councillor	DA	Ward 5	100	
Z Tonisi	Deputy Mayor PR Councillor	DA	Proportional	91.67	8.33 % (1)
GD Burger	Member of Mayoral Committee/ PR Councillor	DA	Proportional	91.67	8.33 % (1)
J Nieuwoudt	Speaker / Ward Councillor	DA	Ward 4	100	
RJ Baker	Ward Councillor	ANC	Ward 3	91.67	8.33 % (1)
D Europa	Ward Councillor	ANC	Ward 6	100	
E Sauls	District Representative / Ward Councillor	DA	Ward 1	100	
CJ Jacobs	PR Councillor	KAPCO	Proportional	83.33	16.66 % (2)
D Jantjies	PR Councillor	Dienslewerings party	Proportional	100	
M October	Member of Mayoral Committee / Ward Councillor	DA	Ward 2	91.67	8.33 % (1)
EC Marthinus	PR Councillor / District Representative	ANC	Proportional	91.67	8.33 % (1)

b) Executive Mayoral Committee

The executive is headed by the Executive Mayor who is assisted by the Mayoral Committee. Cllr P Swart was elected Executive Mayor following the 2016 municipal election. A total of 8 Mayoral Committee meetings were held in 2017/18

TABLE 35 EXECUTIVE MAYORAL COMMITTEE

NAME OF MEMBER	CAPACITY	MEETING ATTENDANCE	MEETING DATES
P Swart	Executive Mayor	100 %	21 August 2017
Z Tonisi	Deputy Mayor	100 %	19 September 2017
D Burger	Member of Mayoral Committee	62.5 %	24 October 2017 1 December 2017
M October	Member of Mayoral Committee	100 %	6 February 2018 19 March 2018 17 April 2018 29 May 2018

c) Portfolio Committees

Portfolio Committees are established in terms of the Municipal Systems Act to assist the Executive Mayor. The number of committees may not exceed the number of members of the Mayoral Committee. They advise the Executive Mayor on policy matters and make recommendations to the Executive Mayor. The tables below indicate the portfolio committees, their composition and meeting dates.

TABLE 36 PORTFOLIO COMMITTEES

COMMITTEE	MEMBERS	MEETING DATES
Infrastructure Services	M October (Chairperson) D Burger RJ Baker CJ Jacobs D Jantjies	14 August 2017 12 September 2017 17 October 2017 21 November 2017 30 January 2018 13 March 2018 10 April 2018 21 May 2018
Management Services	Z Tonisi (Chairperson) M October D Europa CJ Jacobs D Jantjies	14 August 2017 12 September 2017 17 October 2017 21 November 2017 30 January 2018 13 March 2018 10 April 2018 21 May 2018
Finance and ICT	GD Burger (Chairperson) Z Tonisi E Marthinus CJ Jacobs D Jantjies	14 August 2017 12 September 2017 17 October 2017 21 November 2017 30 January 2018 13 March 2018 10 April 2018 21 May 2018
Masakhane Committee	Z Tonisi (Chairperson) P Swart E Sauls J Nieuwoudt D Europa RJ Baker M October	14 August 2017 12 September 2017 17 October 2017 22 November 2017 30 January 2018 13 March 2018 10 April 2018 21 May 2018 13 June 2018

d) Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is a Committee of Council established in terms of section 79 of the Municipal Structures Act and performs an oversight function on behalf of Council. This Committee consists solely of Councillors appointed by the Council and is representative of all political parties on the Council. The Committee is chaired by one of the opposition political parties who is also appointed by the Council.

The primary functions of the Municipal Public Accounts Committees are as follows:

- To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report;
- In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports;
- To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee’s and the Auditor General’s recommendations have been implemented;
- To promote good governance, transparency and accountability on the use of municipal resources;
- To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
- To perform any other functions assigned to it through a resolution of Council within its area of responsibility.

The table below indicate the MPAC composition and meeting dates.

TABLE 37: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

NAME OF REPRESENTATIVE	CAPACITY	POLITICAL PARTY	MEETING DATES
C Jacobs	Chairperson	KAPCO	28 August 2017
E Marthinus	Member	ANC	6 September 2017
E Sauls	Member	DA	19 September 2017
D Jantjies	Member	Dienslewerings Party	28 September 2017 8 November 2017 19 January 2018 22 January 2018 29 May 2018

2.1.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Accounting Officer of the Municipality. He is the Head of the Administration and is primarily responsible for service delivery and implementation of political priorities.

The Municipal Council adopted a revised macro structure in May 2017, and implementation took place with effect from 1 July 2017. The revised organisational structure reduced the previous four directorates to three. The administration consists of the office of the Municipal Manager and three directorates. Each directorate is headed by a Director, appointed in terms of Section 57 of the Municipal Systems Act. The position of Director Infrastructure Services was vacant from 21 August 2017 until 20 June 2018.

The Municipal Manager and Directors all meet the minimum qualification requirements and competency levels as required by the MFMA and have performance agreements in place that align to the Municipality’s top layer SDBIP.

The table below indicates the senior management administrative governance structure.

TABLE 38 ADMINISTRATIVE GOVERNANCE STRUCTURE: SENIOR MANAGEMENT

NAME OF OFFICIAL	DIRECTORATE	PERFORMANCE AGREEMENT SIGNED
Mr D O'Neill	Municipal Manager	Yes
Mr A Jacobs	Director: Infrastructure Services	No (Appointed on 20 June 2018)*
Mr H van Biljon	Director: Financial Services and Information Technology	Yes
Mr K Mrali	Director: Management Services	Yes

*In terms of the Municipal Systems Act Municipal Performance Regulations for Municipal Managers and Managers accountable to Municipal Managers (2006) a performance agreement must be concluded within 60 days of appointment. That is to say 20 August 2018.

Each Directorate comprises a number of Departments, which are indicated in the table below.

TABLE 39 ADMINISTRATIVE GOVERNANCE STRUCTURE: THIRD TIER

DIRECTORATE	DEPARTMENTS
Municipal Manager	<ul style="list-style-type: none"> ▪ Internal Audit (Reports to Audit Committee) ▪ Strategic Planning and Administration <ul style="list-style-type: none"> ○ Town and Regional Planning ○ Client Services ○ Corporate Support ▪ Human Resource and Organisational Development Services ▪ Socio economic services
Infrastructure Services	<ul style="list-style-type: none"> ▪ Water and Sanitation ▪ Roads and Storm water ▪ Waste Management ▪ Electro Technical Services ▪ Building Control
Financial Services and Information Technology	<ul style="list-style-type: none"> ▪ Revenue ▪ Expenditure ▪ Budget and Treasury Office ▪ Supply Chain Management and fleet ▪ Information Technology
Management Services	<ul style="list-style-type: none"> ▪ Library Services ▪ Traffic and Law Enforcement ▪ Public Services ▪ Human Settlement

2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhere to agreed procedures and avoid legal proceedings against one another.

2.2.1 INTERGOVERNMENTAL STRUCTURES

To adhere to the principles of the Constitution the Municipality participates in the following intergovernmental structures:

TABLE 40 DISTRICT INTERGOVERNMENTAL STRUCTURES AND FORUMS

NAME OF STRUCTURE	PARTICIPANTS	PURPOSE
DWA Bi-Lateral Meetings	Overberg District Municipality and Overberg Water	Water & sanitation related topics
DCF (District Coordinating Forum)	Municipal Managers and Mayor	Inter-municipal co-operation, shared services
District IDP Rep/ PPComm Forum	District Municipality, Overberg Local municipalities, Private Sector, Western Cape Government Sectors	Communication, IDP, Tourism topics
District LED/Tourism Forum	Overberg District Local Municipalities, LED and Tourism officials	LED and Tourism related topics
DCF Tech	Municipal Managers	Inter-municipal co-operation, shared services
District Skills Development Forum	Overberg District Municipality Local municipalities	Skills development related topics
District Expanded Public Works Programme Forum	Overberg District municipality Local municipalities	EPWP related topics
Overberg Air Quality Officers Forum	Overberg District municipality Local municipalities	Air Quality related issues
District CRO & CAE Forum	CRO Internal Auditors of Local Municipalities within the Overberg District	Risk and Audit related topics
Disaster Management Advisory Forum	Overberg District Municipalities Local Municipalities	Disaster related topics
Regional Waste Forum	Overberg District Municipality Local municipalities	Waste and Health related issues
Supply Chain Management District Forums	Supply Chain Managers Local Municipalities District Local Municipality	Municipal Supply Chain related topics

TABLE 41 NATIONAL AND PROVINCIAL INTERGOVERNMENTAL STRUCTURES AND FORUMS

NAME OF STRUCTURE	PARTICIPANTS	PURPOSE
SALGA	Western Cape Municipalities	All municipal service topics
Waste Forum	Western Cape Municipalities	Waste related topics
Blue and Green Drop Forum	Western Cape Municipalities	Water & sanitation related topics
MIG	Western Cape Municipalities	Infrastructure projects

IMESA	Southern Cape Engineers	Municipal related topics
EPWP	Provincial Government	EPWP related topics
MinMay	Municipal Managers and Mayor	Provincial Local Government driven agenda
MinMay Tech	Municipal Managers	Provincial Local Government driven agenda
PCF (Premier's Coordinating Forum)	Premier and Municipal Managers	Premier's Department responsible for agenda
Provincial IDP Managers Forum	Western Cape Municipalities, Directorate: Integrated Development Planning Department of Local Government, Provincial treasury	IDP related topics
Provincial LED Forum	Western Cape Local Government LED department, local municipalities LED officials	LED related topics
Provincial Public Participation and Communication Forum	Local municipalities: Public Participation- and Communication Officials, Provincial government: Communication and Public Participation, SALGA, GCIS	Public Participation, Communication matters
Western Cape Local Government Chief Audit Executive Forum	National Treasury, Provincial Treasury, Internal Auditors	Internal Auditing matters
Western Cape Local Government Chief Risk Forum	National Treasury, Provincial Treasury, Internal Auditors	Risk Management related topics
Western Cape ICT Managers Forum	Western Cape Local Government ICT Managers	ICT topics
Provincial Municipal Accounting Forum	Western Cape Local municipalities, Provincial Treasury	Accounting matters for local municipalities
Provincial Supply Chain Managers Forum	Provincial Treasury, Local municipalities SCM Managers	SCM matters
Provincial CFO Forum	Provincial Treasury, Local Municipalities CFO's	Accounting topics
Municipal Managers Forum	Municipal Managers HODs	Municipal related topics

2.2.2 JOINT PROJECTS AND FUNCTIONS WITH SECTOR DEPARTMENTS

All government functions are divided between the three spheres namely national, provincial and local. The Municipality therefore shares their area and community with other spheres of government and their various sector departments and have to work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides details of such projects and programmes:

TABLE 42 JOINT PROJECTS

NAME OF PROJECT/ FUNCTION	EXPECTED OUTCOME/S OF THE PROJECT	SECTOR DEPARTMENT/S INVOLVED	CONTRIBUTION OF SECTOR DEPARTMENT
LGMTech (MGRO)	MFMA Compliance	Provincial Treasury, Municipality	Oversight, Planning, Compilation of project plans
Back-To-Basics	Implementation of Back to Basics Plan for enhanced sustainability and	Driven by Local Government, but all sector departments participate	Back-To-Basics engagement with senior politicians & officials

	betterment of service delivery.		
EGAP	Internet based tool to collect municipal financial and governance information that will allow the Provincial Government to improve the monitoring and support of the municipalities in the Province	Provincial Treasury	Oversight and monitoring and support
Integrated performance and support system (IPSS)	Internet based tool to collect municipal service delivery and governance information that will allow the Provincial Government to improve the monitoring and support of the municipalities in the Province	Driven by the Department of Local Government but all sector departments participate	Oversight and monitoring and support

2.3 COMPONENT C: PUBLIC ACCOUNTABILITY

Section 16 of the Municipal Systems Act (MSA) refers to the development of a culture of public participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Participation is required for the following processes:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- the preparation of the municipal budget.

2.3.1 WARD BASED PUBLIC MEETINGS

The table below details public communication and participatory initiatives held by the Municipality during the financial year under review:

TABLE 43 WARD BASED PUBLIC MEETINGS

WARD 1

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
18 July 2017 – Napier	Feedback Meeting	All Ward residents	Pamphlets, sms, loud hailing and Facebook.
11 September 2017 - Napier	Feedback meeting		
11 September 2017	IDP meeting	All Ward residents	Advert in local media, Pamphlets, sms, loud hailing, Facebook and Municipal Website
7 December 2017	Year-end-Function	All Ward residents	Pamphlets, and Facebook
12 April - Napier	Budget Imbizo	All Ward residents	Advert in local media, sms, Facebook and Loud hailing
8 May 2018 - Elim			

WARD 2

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
26 February 2017 – Bredasdorp	Feedback Meeting	All Ward residents	Pamphlets, sms and Facebook, Loudhaling
27 February 2017 - Klipdale			
9 April 2018 – Bredasdorp	Budget Imbizo	All Ward residents	Advert in local media Pamphlets, sms , Facebook and loud haling
18 April 2018 - Klipdale			
12 September 2017 - Bredasdorp	IDP meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling, Facebook
13 September 2017 - Klipdale			
7 December 2017 Bredasdorp	Ward year-end function	All Ward residents	Pamphlets, and Facebook
12 December 2017 - Klipdale			

WARD 3

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
18 July 2017	Feedback meeting to community	All Ward residents	Pamphlets, sms, loud haling and Facebook
14 September 2017	IDP & Feedback meeting	All Ward residents	Advert in local media, sms, Facebook and Loud haling
20 February 2018	Feedback Meeting	All Ward residents	Pamphlets, sms, loud haling and Facebook
10 April 2018	Budget Imbizo	All Ward residents	Advert in local media Pamphlets, sms , Facebook and loud haling

WARD 4

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
4 July 2017 – Protem 5 July 2017 - Bredasdorp	Feedback Meetings	All Ward Residents	Pamphlets, sms, loud haling and Facebook
19 September 2017 – Bredasdorp 20 September 2017 - protem	IDP meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
14 November 2017 – Bredasdorp 15 November 2017 - Protem	Feedback meeting	All Ward residents	Pamphlets, sms, loud haling and Facebook
4 April 2018 - Bredasdorp 5 April 2018 - Protem	Budget Imbizo's	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook

WARD 5

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
25 July 2017 15:00 – Suiderlig Service Centre 19:00 – Primary School Hall	Ward Feedback Meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
21 September 2017 15:00 – Suiderlig Service Centre 19:00 – Primary School Hall	IDP meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
13 December 2017	Year-end-Function	All Children in the Ward	Pamphlets, sms, loud haling and Facebook
22 March 2018 15:00 – Suiderlig Service Centre 19:00 – Primary School Hall	Feedback Meeting	All Ward residents	Pamphlets, sms, loud haling and Facebook
11 April 2018 15:00 – Suiderlig Service Centre- 19:00 – Primary School Hall	Budget Imbizo	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook

WARD 6

DATE	PURPOSE	TARGET AUDIENCE	COMMUNICATION
3 July 2017 - Bredasdorp 4 July 2017 - Arniston	Feedback Meetings	All Ward Residents	Pamphlets, sms, loud haling and Facebook
25 September 2017 - Bredasdorp 26 September 2017 - Arniston	IDP meetings	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook
19 February 2018 - Bredasdorp 20 February 2018- Arniston	Feedback Meeting	All Ward residents	Pamphlets, sms, loud haling and Facebook
16 April 2018 - Bredasdorp 17 April 2018 - Arniston	Budget Imbizo	All Ward residents	Advert in local media, Pamphlets, sms, loud haling and Facebook

2.3.2 WARD COMMITTEES

The table below provides information on the establishment of ward committees and their functionality within the Cape Agulhas Municipal Area:

TABLE 44 FUNCTIONALITY OF WARD COMMITTEES

WARD	COMMITTEE ESTABLISHED YES / NO	NUMBER OF REPORTS SUBMITTED TO THE SPEAKERS OFFICE	NUMBER MEETINGS HELD DURING THE YEAR	NUMBER OF PUBLIC WARD MEETINGS HELD DURING THE YEAR
1	Yes	9	9	6
2	Yes	9	9	8
3	Yes	9	9	4
4	Yes	9	9	8
5	Yes	7	7	5
6	Yes	9	9	8

2.3.2.1 MEMBERSHIP AND FUNCTIONALITY OF WARD COMMITTEES

The following tables provides an overview of the composition and functionality of ward committees.

TABLE 45 WARD COMMITTEE MEMBERSHIP AND FUNCTIONALITY

a) WARD 1: NAPIER, ELIM, SPANJAARDSKLOOF AND SURROUNDING FARMS

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	MEETING DATES
E Sauls	Ward Councillor	23 August 2017
J Wessels	Huis Klippe Drift/ Secretary	14 September 2017
R Coetzer	Napier Community Police Forum	18 October 2017
W Adams – until October 2017	Napier Health and Welfare Forum	22 November 2017
E Africa – From November 2017		7 December 2017
M Sauls	Agulhas School of Skills	1February 2018
J De Kock	Overberg District Agricultural Association	10 April 2018
J Fillies	Napier Neighbourhood Watch	24 May 2018
P Richter	Elim Residents Forum	17 July 2018

E Johnson – until March 2018 Y Kerr – From April 2018	Elim E-Centre	
P Apollis	Spanjaardskloof Residents	
K Donald	Napier Residents	

b) WARD 2: PART OF BREDASDORP, KLIPDALE, HOUTKLOOF AND SURROUNDING FARMS

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	MEETING DATES
M October	Ward Councillor	17 August 2017
F Koebergh – from September 2017	Otto Du Plessis Hospital Board	18 September 2017
K Dunston	AMSSS	19 October 2017
J Adams	De Heide Primary	23 November 2017
W Abrahams	Bredasdorp Residents Association	31 January 2018
E Wildschut	Young Peoples Rugby Club	27 February 2018
E Plaatjies	Cape Agulhas Ratepayers Association	15 March 2018
H Eksteen	Standards Rugby Club	12 April 2018
E Hendricks	Klipdale Residents	24 May 2018
M Meyer	Anglican Church	
F Koebergh –until August 2017 E Moos – From September 2017	Anglican Church Men Society	

c) WARD 3: PART OF BREDASDORP (TUSSEN TREINE (SIMUNYE), KLEINBEGIN, ZWELITSHA AND KALKOONDE)

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	MEETING DATES
R Baker	Ward Councillor	21 Augustus 2017
A van Der Byl	Bredasdorp Neighbourhood Watch	19 September 2017
A Philiso – Until October 2017 Vacant	Polapark residents	18 October 2017 25 November 2017
Z Casiwe	Soccer Association	31 January 2018
H Temmers	Cape Agulhas Disability Forum	27 February 2018
E Pietersen	Compassion in Action	14 March 2018
K Grandfield	Religion	11 April 2018
A Klaasen	Sport	22 May 2018
A Rudolph	Woman in Progress	
B Gijana	WILCO	
J Van Reenen	Cape Agulhas Ratepayers Association	

d) WARD 4: PART OF BREDASDORP (CBD), PROTEM, VAN DER STELSKRAAL AND SURROUNDING FARMS

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	MEETING DATES
J Nieuwoudt	Ward Councillor	15 August 2017
D Gilomee	Otto du Plessis Hospital facility Council	26 September 2017
S van Dyk	ACVV Bredasdorp	17 October 2017
W Joubert	AGS Church	22 November 2016
M Geldenhuys	High School Bredasdorp	30 January 2018
J Bester	DR Church Bredasdorp	13 March 2018
M Hatting	WELFARE AND HEALTH	10 April 2018
L Marais	Lions Club	21 May 2018
H Odendaal	ACVV Service Centre	17 June 2018
R Arends	Individual	

J Neethling	Suideroord ACVV Home for the elderly	
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e) WARD 5: STRUISBAAI, L'AGULHAS, SUIDERSTRAND, HAASVLAKTE AND SURROUNDING FARMS

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	MEETING DATES
P Swart	Ward Councillor	21 August 2017
S Du Plessis	Struisbay Fishermen Union	18 October 2017
F De Wet – until May 2018	Cape Agulhas Business Forum	6 November 2017
E Krige – From July 2018		22 November 2017
H Joorst – until May 2018	Council of Stakeholders	5 February 2018
K Gertse – From July 2018		14 March 2018
C Visser	DR Church	25 April 2018
J Jacobs – until June 2017	Onse Hoop	
D de Jongh – until February 2018	Suidpunt Conservation Association	
Esna Swart – from March 2018		
R Fourie – until February 2018	Suidpunt Residents	
H Williams – From March 2018		
P van As	Springfield and Haasvlakte Rural Area	
G Thompson	Struisbaai Rugby Club	
J Taljaard	Agulhas National Park	

f) WARD 6: BREDASDORP (SELFBOU AREA AND BERGSIG), ARNISTON AND SURROUNDING FARMS

NAME OF REPRESENTATIVE	CAPACITY REPRESENTING	MEETING DATES
D Europa	Ward Councillor	21 August 2017
J Moos	Sport (Social Golf)	28 September 2017
M Meyer	Anglican Church (woman)	17 October 2017
G Hendricks	Early Childhood Development (Babbel and Krabbel)	28 November 2017
L Valentine		30 January 2018
N van Staden	CARA	26 February 2018
W Marthinus	Religion (Verenigde Pinkster)	13 March 2018
G Gertse	Religion – Arniston (Siliom)	10 April 2018
R Europa	Sea Hawks Rugby Club	15 May 2018
A Marthinus	Waenhuiskrans Fishermen Forum	
E R Adonis	Waenhuiskrans Ratepayers Association	
	Anglican Church (Youth)	

2.3.2.2 WARD COMMITTEE HIGHLIGHTS AND CHALLENGES

a) Ward Committee Highlights

- Ward Committee Operational Plans for all wards were submitted to the Provincial Public Participation Unit. Positive feedback was received on all ward plans.
- The “Know your Ward Committee” campaign was implemented. Calendars with the photos of all ward committee members and the ward councillor were printed and distributed in the relevant wards. The campaign was funded by the Provincial Public Participation Unit.
- Paul Valentine, the official responsible for public participation and ward committees is a member of the Overberg Task team who will advise the Provincial Public Participation Unit on changes in the current ward committee legislation.
- 2 Ward Committee Members of each ward are represented on the CWP Local Reference Committee of the Municipality
- 2 Members of Wards 2,3 and 6 are also represented on the RSEP committee of the Municipality

b) Ward committee challenges

- To improve the functioning and feedback from representatives of organisations elected on the ward committees.
- To improve co-operation with Provincial CDW's to assist in Public Participation Initiatives of the Municipality

2.3.3 REPRESENTATIVE FORUMS

2.3.3.1 LOCAL LABOUR FORUM

The Local Labour Forum (LLF) is a legislated structure designed to strengthen the relationship between organized labour and management. The Collective Agreement of the SALGBC requires every employer to establish a Local Labour Forum with equal representation from the trade unions and the employer. The trade unions' representation is divided proportionate to their respective membership within the place of employment. Employer representatives consist of Councillors and Management, specifically the Municipal Manager and the Directors directly accountable to the Municipal Manager who are appointed in terms of section 57 of the Municipal Systems Act, 32 of 2000.

The table below indicates the members of the Local Labour Forum, and meeting dates for 2017/18.

TABLE 46 LOCAL LABOUR FORUM

NAME OF REPRESENTATIVE	CAPACITY	MEETING DATES
D O'Neill	Municipal Manager	10 August 2017
H Van Biljon	Director Financial Services and ITC	7 September 2017
K Mrali	Director Management	12 October 2017
Z Tonisi	Councillor	9 November 2017
D Burger	Councillor	8 December 2017
M October	Councillor	8 February 2018
F Xinela	SAMWU	28 March 2018
W Stanley	SAMWU	12 April 2018
R Jansen	SAMWU	10 May 2018
S Hendricks	SAMWU	8 June 2018
S Graaff	IMATU	
E Dyers	IMATU	
The Divisional Head HR and Organisational Development, Ms N Mlathi-Musewe and HR Official Mr J Diedericks participate in all Labour Forum meetings and play a strategic advisory role.		

2.3.3.2 IDP FORUM (CAPE AGULHAS MUNICIPAL ADVISORY FORUM)

The Cape Agulhas Municipal Advisory Forum (CAMAFA) was established in terms of Section 15 of the Municipal Planning and Performance Management Regulations, which require municipalities to establish a municipal wide structure to enhance community participation in respect of integrated development planning and performance management.

TABLE 47 CAPE AGULHAS MUNICIPAL ADVISORY FORUM

MEMBERSHIP	MEETING DATES
Executive Mayor (Chairperson)	31 October 2017
All Councillors	
Municipal Manager	
All Councillors	
2 Representatives from each Ward Committee	

2.4 COMPONENT D: CORPORATE GOVERNANCE

Corporate Governance is the set of processes, practices, policies, laws and relationships affecting the way an institution is directed, administered or controlled.

2.4.1 RISK MANAGEMENT

Section 62(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) stipulates that the “Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control” This legislative prescript coupled with the obligation to ensure that the resources of the municipality are used effectively, efficiently and economically underlie the implementation of risk management at Cape Agulhas Municipality.

Risk management has been managed as a shared service of the Overberg District Municipality (ODM) since 1 August 2015, when a Chief Risk Officer (CRO) was appointed. The shared service business model between the municipalities within the district is premised on the delivery of a uniform service under a shared cost model. This model brought about substantial cost-savings as it meant that in-house skills and resources were available, and there was a corresponding reduction on the need for external service providers for the establishment and maintenance of risk management structures and processes. At local level, the Cape Agulhas Municipality has a local risk champion.

The initiatives and actions performed by the Risk Management Unit (RMU) during 2017/18 include:

- Introduced bi-annual risk assessments to ensure the risk register is thoroughly reviewed by the managers at least once after the initial risk assessment. This is in addition to the periodic reviews conducted by management on their own initiative;
- Comprehensive annual departmental risk assessments, involving the heads of department and line managers, which contributed to the compilation of the most detailed risk register to date;
- Strategic risk assessment with the Council and Senior Managers;
- Commenced with a district fraud and corruption event library for use during fraud and corruption risk assessments;
- Continuous emphasis on fraud and corruption risks and the related risk action plans;
- Compilation and monitoring of a district risk management implementation plan;
- Compilation of a District Cross-Cutting Report containing the transversal risks of the municipalities in the Overberg district;
- Finalised the development of a Fraud Prevention and Anti-Corruption Strategy, Policy and Plan, which was workshopped with labour and management representatives and adopted by Council. These documents replaced the outdated Anti-Corruption and Fraud Prevention Plan;
- Policy workshop for Councillors on the contents of the Fraud Prevention and Anti-Corruption Strategy, Policy and Plan;
- Engagements with labour unions on the Code of Ethics for Municipal Staff, which was later adopted by Council;
- Introduced several Standard Operating Procedures to formalise and explain the risk management processes;
- Engaging and involving all levels of management with the risk management activities;
- Monthly updates on risk action plans by managers and monitoring by the Risk Management Unit.
- Quarterly compilation of the Combined Assurance Model based on the Combined Assurance Policy Framework adopted by Council;

- Comprehensive review of the Risk Management Strategy and Risk Management Policy to incorporate the new COSO framework *Enterprise Risk Management Integrating with Strategy and Performance* and document the established risk management processes of Cape Agulhas Municipality.
- Annual review of the Combined Assurance Policy Framework;
- The Business Continuity Committee Terms of Reference was approved to form a specialist oversight structure to oversee the development, implementation and continuous updating of Cape Agulhas Municipality’s Business Continuity Plan. The first meeting has been held, where the business impact analysis (BIA) was reviewed;
- Participation in the Overberg District Internal Audit and Risk Management Forum;
- Performed a Risk Management Maturity Assessment to determine the Municipality’s maturity level;
- Skills development of the Risk Officer in the area of enterprise risk management and combined assurance through attendance and successful completion of a short course.
- Improved co-operation between the RMU and Internal Audit, reducing duplication, increasing the sharing of risk information and improving assurance coverage, while respecting Internal Auditor’s independence;
- Fraud and Risk Management Committee performance evaluation through individual assessments by the members in the form of a questionnaire;
- Adding value of “best practice” developments to the Fraud and Risk Management Committee. Review of the risk register, incident and emerging risks and corrupt, fraudulent and unethical incidents are now standard agenda items for Fraud and Risk Management Committee meetings.
- Regular communication and daily updates from the Institute of Risk Management South Africa;
- Provided recommendations for improvement of the software being utilised (Ignite Risk Assist Module);
- Risk management is a now a standing agenda item for Audit and Performance Audit Committee meetings, where the Chief Risk Officer provide feedback.
- Risk management training presentation provided to the Audit and Performance Audit Committee.

2.4.1.1 FRAUD AND RISK MANAGEMENT COMMITTEE

A Fraud and Risk Management Committee (FARMCO) was established by the Municipal Manager on 29 June 2015. The FARMCO is a high level advisory body that assists the Accounting Officer to fulfil his/her responsibilities for Risk Management as set out in the MFMA, the Public Sector Risk Management Framework and corporate governance principles. The FARMCO operates within the parameters of a FARMCO Charter.

The FARMCO also oversees the effective implementation of the risk management processes, effective management of identified risks and provides timely and useful enterprise risk management reports to the Municipal Manager and the Audit Committee of the Municipality.

The table below indicates the membership and meeting dates.

TABLE 48 FRAUD AND RISK MANAGEMENT COMMITTEE (FARMCO)

NAME	CAPACITY	MEETINGS
Mr A Kok	External Chairperson	29 September 2017
Mr A Jacobs	Director: Infrastructure services	22 November 2017
Mr H Van Biljon	Director: Financial Services and ITC	19 March 2018
Mr K Mrali	Director: Management Services	22 June 2018
Mrs T Stone	Division Head: Strategic Planning and Administration	
Mrs N Mhlathi-Musewe	Division Head: Human Resources and Organizational Development	

Mr W van Zyl	Manager: ICT	
Mr S Cooper	Manager: Electrical Services	
STANDING INVITEES		
Mr N Davids	Risk Management Officer of the Cape Agulhas Municipality (Secretariat).	
Mr A Riddles	The Chief Risk Officer of the Overberg District Municipality shared risk management service (Advisory)	
Mr B Swart	Chief Audit Executive of Cape Agulhas Municipality (Advisory and observation)	

2.4.1.2 RISK ASSESSMENTS

The risk assessment process for 2017/18 commenced in March 2017. The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk before taking controls into consideration) as well as residual risks (after taking existing control measures into consideration).

The risk assessment results were submitted to the FARMCO on 24 March 2017. The operational risks were recommended for approval by the Municipal Manager who subsequently signed them off and the strategic risks were recommended for approval by Council.

The following table contains the Municipalities top strategic risks:

TABLE 49 STRATEGIC RISK REGISTER 2017/08

RISK DESCRIPTION	CURRENT CONTROLS	RESIDUAL RISK	RISK ACTIONS
Illegal Erection of Informal Structures and Land invasions	<ul style="list-style-type: none"> - Weekly surveys done by housing department to prevent land invasions. - Incidents of illegal occupation reported to law-enforcement - Land invasion and squatter control policy. - Ongoing training. Inter-departmental SOP (Housing and Law enforcement) 	High	<ul style="list-style-type: none"> - Budget for Drone technology - Present a proposed action plan to Portfolio committee on dealing with possible future influxes of people 2. Present an proposed action plan to Portfolio committee on dealing with possible future influxes of people - Review Housing and Squatter control Policies
Financial viability of the municipality	<ul style="list-style-type: none"> - LTFP adopted - June 2015. - Strategies adopted - December 2015 - Revenue Enhancement Strategy 	High	<ul style="list-style-type: none"> - Execution of the revenue enhancement framework (execution of targets within planned periods) - Cleansing and updating of debtors/indigents/informal settlement - Explore the possible utilization of municipal assets (land and buildings) - Monthly report to finance portfolio committee of long term financial plan and revenue enhancement framework - Formulate KPI's for each manager involved with long

RISK DESCRIPTION	CURRENT CONTROLS	RESIDUAL RISK	RISK ACTIONS
			term financial and revenue enhancement framework
MSCOA	<ul style="list-style-type: none"> - MSCOA Committee established. - Outdated implementation plan approved 	High	<ul style="list-style-type: none"> - Planned AG mid-year audit - Continuous monitoring of project implementation plan
Non-Adherence to Permit Conditions (Landfill Sites)	<ul style="list-style-type: none"> - Monitoring of the run-off water - Run-off Water Canal from adjacent land 	High	<ul style="list-style-type: none"> - Awaiting final report on regional landfill investigation
Eskom maximum demand capacity restraints in the Cape Agulhas Municipal area	<ul style="list-style-type: none"> - Innovative tariff structures and embedded generation to assist with the reduction in Notified Maximum Demand 	Medium	<ul style="list-style-type: none"> - Submission of Business plan to Department of Energy to secure funding for a new line and sub-station - EEDSM Initiatives and energy efficiency through embedded generation and smart installation. (Green energy initiative)
Provision of long term bulk water supply - source	<ul style="list-style-type: none"> - Water demand management. - Monitoring of ground water levels. 	Medium	<ul style="list-style-type: none"> - Drafting of water services development plan. (Budgeting and Procurement) - Arrange and execute water workshop with Council and Management

2.5.1.3 RISK POLICIES AND STRATEGIES

The Municipality has a Risk Management Policy and Risk Management Strategy and Implementation Plan in place that were reviewed by FARMCO on 24 March 2017. The charter, policy and strategy were later submitted to Council for approval on 31 March 2017 in line with the National Treasury Risk Management Framework.

TABLE 53 RISK POLICIES AND STRATEGIES

NAME OF DOCUMENT	DEVELOPED YES/NO	COUNCIL APPROVAL
FARMCO Charter	Yes	31 March 2017 (Council Resolution 36/2017)
Risk Management Policy	Yes	31 March 2017 (Council Resolution 36/2017)
Risk Management Strategy	Yes	31 March 2017 (Council Resolution 36/2017)

2.4.2 ANTI-CORRUPTION AND ANTI-FRAUD

Section 6(2)(c) of the Municipal Systems Act (MSA) states that the municipality must take measures to prevent corruption, section 83(1)(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1)(m)(i) obligates the municipality to institute supply chain measures to combat fraud and corruption, favouritism and unfair and irregular practices. The Prevention and Combating of Corrupt Activities Act defines corruption and specific corrupt activities and imposes a reporting obligation on the Accounting Officer.

The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings regulates the reporting, investigation and disciplinary proceedings regarding allegations of financial misconduct, including fraud and corruption.

TABLE 50 ANTI CORRUPTION AND FRAUD STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted
Fraud Prevention and Anti-Corruption Strategy	Yes	26 September 2017
Fraud Prevention and Anti-Corruption Policy	Yes	26 September 2017
Fraud Prevention and Anti-Corruption Plan	Yes	26 September 2017

The following table provides an overview of the Municipality’s implementation strategies:

TABLE 51 IMPLEMENTATION STRATEGIES

KEY RISK AREAS	KEY MEASURES TO CURB CORRUPTION AND FRAUD
Policy	A Fraud Prevention and Anti-Corruption Policy is a key defence mechanism because it emphasises that the Municipality has a formal framework in place to deal with fraud and corruption. It answers key questions such as: <ul style="list-style-type: none"> · What is fraud and corruption? · How do we deal with it when it arises? · What are the roles and responsibilities? · What are the sanctions?
Institutional arrangements	The creation of specific structures (e.g. a fraud and risk committee) and the definition of roles and responsibilities facilitates coordination and management of programme implementation. At municipal level, these would include structures such as internal audit and the external audit committees.
Systems and control	With well-structured and documented systems and controls in place, gaps and loopholes are nullified that are often used to perpetrate fraud and corruption. These systems and controls also enable monitoring and management mechanisms that will facilitate detection where there are attempts to override or circumvent such systems and controls. Importantly, systems and controls will ensure compliance with policies and regulations. Supply chain management is a good example of where systems and controls are crucial in preventing fraud and corruption
Fraud and corruption risk management	All organisations have systems and controls in place with varying levels of structure and detail. Despite this, organisations are still vulnerable to fraud and corruption because systems and controls are not properly implemented or their inherent gaps and weaknesses can be exploited. Conducting fraud and corruption risk assessments enables organisations to test the integrity and completeness of their systems and controls with a view to implementing measures that strengthen areas of weakness and closing gaps. This approach proactively allows the organisation to prevent fraud and corruption
Training, awareness and communication	Making managers, staff, suppliers and customers aware of the risks of fraud corruption, how to deal with it, what the consequences are and why it is important to prevent and fight it are key weapons in building up an organisational culture that opposes fraud and corruption. Training will make managers and staff aware of what to watch out for so that they do not willingly or unwillingly participate in acts of fraud and corruption. Communicating successes in dealing with fraud and corruption serves as deterrent to others and builds the corporate image of an institution.

2.4.3 AUDIT COMMITTEE

Section 166(2) of the MFMA states that an Audit Committee is an independent advisory body, which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance management; and
- effective governance.

Cape Agulhas Municipality split its combined Audit and Performance Audit Committee into separate Committees during the year due to the very different mandates of the Committees. The Audit Committee members also serve as members of the Performance Audit Committee. Although it is now two Committees, the meetings are held on the same day and there are no additional costs for the municipality due to the split.

2.4.3.1 FUNCTIONS OF THE AUDIT COMMITTEE

The main functions of the Audit Committee are prescribed in in Section 166(2) (a-e) of the MFMA and the Local Government Municipal and Performance Management Regulations and are as follows:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements, and to provide Council with an authoritative and credible view of the financial position of the Municipality, its efficiency and its overall level of compliance with the MFMA, the Annual Division of Revenue Act (Dora) and other applicable legislation.
- To respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by Internal Audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the Municipality.
- To review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

2.4.3.2 MEMBERS OF THE AUDIT COMMITTEE

The table below indicates the membership and meeting dates of the Audit Committee of the Cape Agulhas Municipality:

TABLE 52 MEMBERS OF THE AUDIT COMMITTEE

NAME	CAPACITY	PERIOD SERVED	MEETING DATES
Mr. C Pieterse	Chairperson	1/7/2017 – 30/9/2017	28 August 2017
Mrs. M Weitz	Member	1/7/2017 – 31/8/2017	21 September 2017
Mr. E Lakay	Member	1/7/2017 – 31/8/2017	24 November 2017
Mr. P Strauss	Member	1/7/2017 – 30/9/2017	23 March 2018

	Chairperson	1/10/2017 – 30/6/2018	(The meeting on the 4 th quarter of 2017/18 was held on 2 July 2018)
Mrs. B Salo	Member	1/8/2017 - 30/6/2018	
Mr. R Mitchell	Member	1/8/2017 - 30/6/2018	

In terms of the Provincial Treasury guidelines, members may only serve on the Committee for two terms but not for a period exceeding six years. The committee member’s contracts all expired in October 2017 and the Municipality embarked on a systematic process of replacement of members to ensure continuity and adherence to the guidelines. As at 30 June 2018 there was one vacancy on the Committee.

2.4.3.3 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

TABLE 53 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

DATE OF COMMITTEE MEETING	COMMITTEE RECOMMENDATIONS DURING 2016/17	ACTIONS TAKEN ON RECOMMENDATIONS
29 August 2016	1. That Council be approached to limit the number of members of the Committee to four. Internal Audit to take it up with the Speaker.	Taken up with Speaker and tabled in Council and the Committee will be kept at 4 members
	2. That the Committee review its current functioning at the next meeting in terms of the revised charter to ensure that the Committee is fulfilling its mandate	Review done at the meeting held on 21 September 2017
	3. That the audit plan be reviewed in conjunction with the Municipal Manager and re-submitted to the Committee for consideration	Done as part of recommendation 5 below
21 September 2017	4. That the table detailing the review of Internal Audit Reports be expanded with more detail on the significant findings to better inform the Council	Quarterly reports to Council now expanded with additional detail
	5. That if there remains a shortfall following finalisation of the RBAP, the audits be prioritised and that other possibilities be considered such having some audits done externally	Discussions held with the external auditors and the Municipal manager to possibly eliminate duplication as well as the roll-over of audits to 2018/19. The current vacant position will also be filled in 2018/19 which will address the current capacity constraints
	6. That the Supply Chain Management reports include detail on all deviations approved	Detail now included in reports submitted to the Committee
	7. That the Internal Audit Unit liaise with the AG when finalising the 2017/18 RBAP to ensure a more cost effective combined assurance process	Done as part of recommendation 5 above
24 November 2017	8. That the current top risks of the municipality be reviewed in terms of the high risks of the mSCOA compliance and concerns around the new financial system’s functionality	Top risks reviewed and amended accordingly
	9. That, due to the timing of the Committee meeting, a full internal audit progress report be submitted to the Committee members in January 2018	Full report for quarter 3 was tabled in Council during the meeting of March 2018
	10. The matter of the municipality’s evacuation plans that has not yet been approved must be included in the Committee’s quarterly report for escalation to Council	The item was escalated to Council via the Committee’s quarterly report and the matter is currently being dealt with

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	11. That the Committee’s concerns regarding the new financial system be elevated to Council and included in their report to Council for the quarter ended 31 December 2017	Item included in the Committees report for the quarter ended 31 December 2017
	12. That Internal Audit look specifically at the findings related to the asset register due to the sharp increase in findings for 2016/17	Item was included in the 2017/18 audit plan
23 March 2018	13. In future the Municipal Manager and all Directors must attend the Audit Committee meeting due to the high level items on the agenda. Directors will only attend for the transversal items and other items that affect all Directors. The Municipal Manager should attend the whole meeting	The Municipal Manager and Chief Financial Officer attends all meetings (depending on possible prior commitments) and Directors are attending as and when required
	14. In view of the current capacity issues at the Internal Audit section, it was decided that the Internal Audit assessment and reporting to the Chief Risk Officer on the combined assurance module will be done bi-annually	Included in the internal audit plan for 2018/19
	15. That the % hours spend on each audit item in the report be replaced with the actual hours worked	Internal Audit quarterly progress report amended accordingly
	16. That higher level interaction be instituted to ensure that actions regarding compliance to Laws and Regulations are updated and approved before due date	Matter raised in the Directors meeting and item is also a standing item on the agenda
	17. It was requested that, for future meetings, only the risks associated with ICT be tabled in the meetings	Implemented
	18. Due to the current situation it is recommended that the risks associated with mSCOA and the new financial system be kept on the risk register until all issues has been resolved	Implemented
	19. That the concerns regarding the leasing of municipal land be included in the Committee’s quarterly report to Council for the period ending 31 March 2018	Included in the Committee’s quarterly report and tabled in Council
	20. That the vacant position on the Audit committee position be advertised	Position advertised and filled on 25 September 2018
	21. That the Committee support the following: <ul style="list-style-type: none"> • That the naming of the head of the internal audit position be changed to “Chief Audit Executive (Head of Internal Audit)” to be in line with all legislation as well as Circular 65. Only the name will change with no financial implication. • That the municipality’s macro organogram be amended to indicate- <ul style="list-style-type: none"> ○ the Audit Committee as a separate Committee reporting directly to Council; ○ the internal audit section reporting functionally to the audit Committee (solid line); and ○ a dotted line from internal audit directly to the Municipal Manager to indicate internal audits administrative reporting line. 	Recommendation implemented and organogram amended accordingly and approved by Council

2.4.4 PERFORMANCE AUDIT COMMITTEE

The Local Government Municipal and Performance Management Regulations require that the Performance Audit Committee comprise a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) stipulates that the Performance Audit Committee must include at least one person who has expertise in performance management. It is also a requirement of Section 14(2)(d) that the Council of a municipality designate a member of the Performance Audit Committee who is neither a councillor nor an employee of the municipality as the Chairperson of the Committee.

2.4.4.1 FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

In terms of Section 14(4) (a) of the Local Government Municipal and Performance Management Regulations the performance Audit Committee has the responsibility to –

- review the quarterly reports produced and submitted by the internal audit process;
- review the municipality’s performance management system and make recommendations in this regard to the Council of the municipality; and
- at least twice during each financial year submit a performance audit report to the Council of the municipality.

2.4.4.2 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

The table below indicates the membership and meeting dates of the Performance Audit Committee of the Cape Agulhas Municipality:

TABLE 54 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

NAME	CAPACITY	PERIOD SERVED	MEETING DATES
Mr. C Pieterse	Chairperson	1/7/2017 – 30/9/2017	28 August 2017
Mrs. M Weitz	Member	1/7/2017 – 31/8/2017	21 September 2017
Mr. E Lakay	Member	1/7/2017 – 31/8/2017	24 November 2017
Mr. P Strauss	Member	1/7/2017 – 30/9/2017	23 March 2018
	Chairperson	1/10/2017 – 30/6/2018	(The meeting on the 4 th quarter of 2017/18 was held on 2 July 2018)
Mrs. B Salo	Member	1/8/2017 - 30/6/2018	
Mr. R Mitchell	Member	1/8/2017 - 30/6/2018	

2.4.4.3 MUNICIPAL PERFORMANCE AUDIT COMMITTEE RECOMMENDATIONS

TABLE 55 MUNICIPAL PERFORMANCE AUDIT COMMITTEE RECOMMENDATIONS

DATE OF COMMITTEE MEETING	COMMITTEE RECOMMENDATIONS DURING 2016/17	ACTIONS TAKEN ON RECOMMENDATIONS
29 August 2016	1. That the Committee review its current functioning at the next meeting in terms of the revised charter to ensure that the Committee is fulfilling its mandate	Review done at the meeting held on 21 September 2017
21 September 2017	2. That the table detailing the review of Internal Audit Reports be expanded with more detail on the significant findings to better inform the Council	Quarterly reports to Council now expanded with additional detail

24 November 2017	None	
23 March 2018	None	

2.4.5 INTERNAL AUDITING

Section 165 of the MFMA requires that:

The internal audit unit of a municipality must –

- prepare a risk based audit plan and an internal audit program for each financial year; and
- advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - internal audit matters
 - internal controls
 - accounting procedures and practices
 - risk and risk management
 - performance management
 - loss control
 - compliance with laws and regulations

The role of internal audit is to assist the Municipality in achieving its objective by bringing a systematic and disciplined approach to the evaluation and improvement of effectiveness of risk management, internal control and governance processes. Its activities are, therefore, guided by a philosophy of adding value to improve the operations of the Municipality.

The Municipality has an in-house internal audit function that consists of the head of the internal audit unit and one auditor. The head of the internal audit function is currently also the Deputy Chairperson of the Western Cape Local Government Internal Audit Forum and is also the Chairperson of that forum’s Technical Committee.

The table below shows the functions that were performed during the financial year under review by the Internal Audit function:

TABLE 56 INTERNAL AUDIT FUNCTIONS

FUNCTION	DATE/NUMBER
▪ Execution of the Risk Based Audit Plan for 2017/18	▪ Ongoing during the financial year
▪ Attendance of management, Mayco, Council and Portfolio Committee meetings where required	▪ Ongoing during the financial year
▪ Driving the Municipal Governance Review and Oversight process as well as the gap analysis process and system	▪ Ongoing during the financial year
▪ Assisting the Manager: Strategic Services with the Service Delivery Budget Implementation Plan through the quarterly auditing of performance	▪ Ongoing during the financial year
▪ Attending the Chief Audit Executive and Chief Risk Officers forums	▪ Ongoing during the financial year
▪ Auditing of and issuing audit reports on: <ul style="list-style-type: none"> ○ Compliance to laws and regulations ○ Administration of grants received through the annual Division of revenue Act ○ Administration of the housing waiting list (follow-up audit) ○ Updated land use register (follow-up audit) 	▪ Ongoing during the financial year

<ul style="list-style-type: none"> o Annual review of policies (follow-up audit) o Staff appraisal process (follow-up audit) o Reporting on performance measurements o Process followed with motor vehicle accidents (follow-up audit) o Controls around overtime worked (follow-up audit) o Municipality’s readiness to implement the mSCOA accounts 	
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2.4.6 BY-LAWS AND POLICIES

Section 11 of the Municipal Systems Act gives a Municipal Council the executive and legislative authority to pass and implement by-laws and policies. The tables below indicate the policies and by-laws developed and reviewed during the financial year:

TABLE 57 POLICIES DEVELOPED AND REVIEWED

POLICY	STATUS	DATE APPROVED	RESOLUTION
Mayors Bursary Policy / External Bursary Policy	Review	31 October 2017	221/2017
Anti-Corruption and Fraud Prevention Policy, Strategy and plan	New	26 September 2017	199/2017
Code of Ethics for Municipal Councillors and Staff	New	26 September 2017	198/2017
Remuneration Policy	New	7 December 2017	247/2017
Small Scale Embedded generation Policy	New	27 March 2018	24/2018
Uniform / Protective Clothing Policy	New	7 December 2017	247/2017
Property Rates Policy	Review	22 June 2017	82/2018
Subsistence and Travelling Policy	Review	22 June 2017	82/2018

TABLE 58 BY-LAWS DEVELOPED AND REVIEWED

BY-LAWS	STATUS	DATE APPROVED	RESOLUTION
None			

2.4.7 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of Batho Pele and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

2.4.7.1 THE COMMUNICATION UNIT

Communications falls within the office of the Municipal Manager and is done by the Senior Officer: External and Internal Communication who was appointed in September 2016. The communication officer participates actively in District and Provincial Public Participation Communication (PPCOMM) Information and Communication Technology Forum (ICTFORUM) and Communicators Technical (COMMTECH) Forums.

The following are some of the initiatives undertaken by the communication unit during the year:

- CAM Communication has focussed on assisting with public participation campaigns like the IDP and Budget Imbizo's.
- The Unit also focussed on internal communication and an induction booklet was developed for the Human Resources Department to use.
- Municipal Matters has grown in the different type of media platforms used to communicate municipal matters; it started with a weekly radio-slot and has now extended to printed media in the form of a regular insert in one of the local newspaper that is being distributed free of charge.
- In partnership with Open Up, a microsite was developed for residents and staff to have easy access to all the Cape Agulhas Municipal by-laws in an easy downloadable format, this microsite has a link on the municipal website to direct visitors to the microsite and back.
- Regular photographic coverage of different events ranging from ministerial visits, sport events, festivals, service delivery in actions to public meetings has been done. These events are also used to record sound bites for the weekly radio-slot called municipal matters.
- Content creation and management of web and social media posts in the form of various advertisement and notices etc. is being done on a regular basis.

2.4.7.2 COMMUNICATION POLICIES AND STRATEGIES

TABLE 59 COMMUNICATED RELATED POLICIES AND STRATEGIES

POLICY / STRATEGY	DATE APPROVED
Communication Strategy and Implementation Plan Review	28 June 2015

2.4.7.3 COMMUNICATION PLATFORMS

The Municipality has a number of communication platforms, which are detailed below. Additional measures such as flyers, loud hailing are used as and when required.

a) Newsletters

TABLE 60 NEWSLETTER DISTRIBUTION

TYPE OF NEWSLETTER	NUMBER DISTRIBUTED	CIRCULATION NUMBER	DISTRIBUTION
Internal	4	+/- 350	Quarterly

External	4	+/- 10 000 households	Quarterly
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b) Other communication channels

TABLE 61 ADDITIONAL COMMUNICATION CHANNELS

CHANNEL	YES/NO	NUMBER OF PEOPLE REACHED	
		2016/17	2017/18
Facebook	Yes	232 017	517888
Twitter	Yes	102	197
SMS system	Yes	4353	5876
E-mail newsflashes	Yes	2315	2305
Radio (weekly slot)	Yes	16 000 RAMS (6 months)	20 000 RAMS (6 months)

The following table provides a detailed breakdown of our Facebook statistics

TABLE 62 DETAILED STATISTICS FOR FACEBOOK

MONTH	YEAR	POSTS	REACHED	HIGHEST REACH PER POST	POST TITLE
July	2018	21	38639	7173	Reports of a fire near Andrews Field
June	2018	24	34307	8927	ESKOM's winter contingency plan
May	2018	32	40279	3847	SASSA meeting
April	2018	11	22231	4075	Auntie Miemie turns 100 years old
March	2018	44	42173	16459	ESKOM Planned Power Outage
February	2018	7	7306	2711	Waterbeperkings
January	2018	23	29167	6012	PAY Project Internship Programme
December	2017	29	46109	14503	Vuurwerk Struisbaai
November	2017	10	40376	14338	Blue Flag Beach Opening Ceremony
October	2017	28	128400	16757	Kennisgewing: Waterbeperkings
September	2017	45	41898	5175	Mayoral Imbizo's
August	2017	39	47003	7754	Random Breath Testing Operation
TOTAL		313	517888		

2.4.8 THE MUNICIPAL WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website serves as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. A communication tool should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's Communication Strategy.

The table below provides information on documents that are published on our website:

TABLE 63 WEBSITE CHECKLIST

DESCRIPTION OF INFORMATION AND/OR DOCUMENT	PUBLISHED YES/NO
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Budget 2017/18	Yes
Adjusted Budget 2017/18	Yes
Asset Management Policy	Yes
Masakhane - Debt Collection and Credit Control Policy (2017)	Yes
Funds and Reserves Policy	Yes
Investment Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy (2017)	Yes
Budget & Virement Policy	Yes
Petty Cash Policy (2017)	Yes
Borrowing Policy	Yes
Top layer SDBIP 2017/18	Yes
Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2017/18	Yes
IDP Process Plan for 2017/18 (Time schedule of key deadlines	Yes
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2016/17	Yes
Oversight reports 2016/17	Yes
Mid-year budget and performance assessment (Approved 25 January 2018)	Yes
Quarterly reports	Yes
Monthly Budget Statements	Yes
Local Economic Development (Section 26(c) of the MSA)	
Local Economic Development Strategy (2017)	Yes
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per Section 57 of MSA	Yes
Assurance Functions (Sections 62(1), 165 & 166 of the MFMA)	
Internal Audit Charter (2012)	Yes
Audit Committee Charter (2012)	Yes
Risk Management Strategy & Implementation Plan (2017)	Yes

2.4.9 CLIENT SERVICES

Provision was made on the revised organisational structure for a dedicated Client Services Unit. The aim of this Unit is to improve customer care, and to ensure the provision of quality services to the public.

TABLE 64 CLIENT SERVICE ACTIVITIES

CLIENT SERVICE ACTIVITIES	YES/NO	DATE /COMPLETED
---------------------------	--------	-----------------

Functional complaint management system	Yes	Continuous
Management of complaints and status reporting	Yes	continuously
Customer satisfaction survey	Yes	July 2016
Mini-Customer Care Surveys	Yes	monthly
Client Services Charter approval	Yes	September 2016
Complaints quality assurance	Yes	continuously
Client Services Charter review	Yes	June 2017
Functional after-hours emergency desk	Yes	continuously

We have extended the scope of Client Services to improve service delivery in the following ways:

- Drafting of news articles for publication purposes in reaction to issues raised by members of the public in the printed media.
- Daily scanning of social media to identify issues raised. These issues are being logged on our Ignite Complaints System in order for the relevant department to resolve. The log number of any possible issues are being communicated to complainants, together with the contact details of the relevant department responsible for attending to the specific issue raised.
- Monthly inspections are being conducted to identify issues such as possible potholes, shortage of road traffic signs, etc. Reports are then prepared and submitted to the relevant departments to follow-up. The aforementioned forms part of pro-active measures implemented by us to ensure good service delivery.

2.4.10 SUPPLY CHAIN MANAGEMENT

Supply Chain Management Unit (SCM) falls within the Financial Services and IT Directorate and is continuously improving its processes and procedures in order to ensure that the Municipality receives value for money in terms of demand and acquisition management.

2.4.10.1 SUPPLY CHAIN MANAGEMENT POLICY

The Supply Chain Management Policy was reviewed on 29 May 2018, as part of the annual budget policy review. The review addressed the latest legislative amendments; SCM Regulations, Treasury Circulars and recommendations made by the Auditor-General and Provincial Treasury to give enhance compliance. This will enable the Supply Chain Management Unit to streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders.

2.4.10.2 BID COMMITTEES

The bid committees are established and are fully functioning according to Council's SCM Policy and the SCM Regulations. The committees are as follows:

- Bid Specification Committee (BSC)
- Bid Evaluation Committee (BEC)
- Bid Adjudication Committee (BAC)

The following table details the number of bid committee meetings held for the 2017/18 financial year:

TABLE 65 BID COMMITTEE MEETINGS

BID SPECIFICATION COMMITTEE	BID EVALUATION COMMITTEE	BID ADJUDICATION COMMITTEE
11	17	16

The attendance figures of members of the bid specification committee are as follows:

TABLE 66 ATTENDANCE OF MEMBERS OF BID SPECIFICATION COMMITTEE

MEMBERS	PERCENTAGE ATTENDANCE
There are no permanent members on the Bid Specification Committee. Members are allocated dependent on the type of bid	100%

The attendance figures of members of the bid evaluation committee are as follows:

TABLE 67 ATTENDANCE OF MEMBERS OF BID EVALUATION COMMITTEE

MEMBER	PERCENTAGE ATTENDANCE
There are no permanent members on the Bid Evaluation Committee. Members are allocated dependent on the type of bid	100%

The attendance figures of members of the bid adjudication committee are as follows:

TABLE 68 ATTENDANCE OF MEMBERS OF BID ADJUDICATION COMMITTEE

MEMBER	PERCENTAGE ATTENDANCE
H Van Biljon (Director: Finance & ITC Services)	93.75 %
S Stanley (Manager: Budget & Treasury Office)	75.00%
K Mrali (Director: Management Services)	93.75%
A Jacobs (Director: Infrastructure Services)	50.00%
N Mhlali-Musewe (Division Head: Human Resources and Organisational Development)	75.00%
T Stone (Division Head: Strategic, Planning & Administration Services)	62.50%

The percentages as indicated above includes the attendance of those officials acting in the position of a bid committee member.

a) Awards Made by the Bid Adjudication Committee

The following awards were made by the BAC.

TABLE 69 SUMMARY OF AWARDS MADE BY BAC

AWARDS	1 ST QUARTER		2 ND QUARTER		3 RD QUARTER		4 TH QUARTER		YEAR TO DATE	
	1 JULY – 30 SEPTEMBER 2016		1 OCTOBER – 31 DECEMBER 2016		1 JANUARY – 31 MARCH 2017		1 APRIL 2017 – 30 JUNE 2017		1 JULY 2016 – 30 JUNE 2017	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Competitive Bids	4	R 1 136 560,28	8	R 7 018 012,87	5	R 3 167 582,07	6	R 1 660 559,76	23	R 12 982 714,98

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Formal Written Quotations	8	R 765 036,94	4	R 237 617,42	5	R 288 668,28	4	R 314 427,00	21	R 1 605 749,64
Deviation In Terms Of Part 18.6.3 Of The SCMPOS	3	R 910 484,66	0	R 0,00	1	R 973 981,80	1	RATES	5	R 1 884 466,46
Sale Of Erven	2	R 35 000,00	0	R 0,00	0	R 0,00	2	R 330 162,00	5	R 365 162,00
Extensions / Amendment Of Contracts In Terms Of Part 20.14 Of The SCMPOS	0	R 0,00	4	R 570 340,60	2	R 9 724,50	3	R 182 092,20	9	R 762 157,30
Procurement In Terms Scm Regulation 32	0	R 0,00	0	R 0,00	1	R 6 812 245,63	2	R 1 697 000,00	3	R 8 509 245,63
Number of Disputes, Complaints, Enquiries and Objections Received	3		0		0		0		3	

b) Ten highest bids

The ten highest bids awarded by the bid adjudication committee are as follows:

TABLE 70 SUMMARY OF TEN HIGHEST BIDS

BID NUMBER	DIRECTORATE AND SECTION	TITLE OF BID	SUCCESSFUL BIDDER	VALUE OF BID AWARDED
SCM25/2017/18	Finance & ICT Services - ICT Services	ICT Support Services For A Period Of 36 Months	DFA Solutions	R 3 846 686,75
SCM10/2017/18	Infrastructure Service - Roads & Stormwater	Upgrading Of Gravel Roads To Surfaced Standard In Bredasdorp & Napier	Cape Agulhas Civils CC	R 3 259 961,10
RT57-03-08-04	Infrastructure Service - Solid Waste	Rt57/2016: supply and delivery of motor vehicles, light and heavy commercial vehicles, busses and motor cycles to the state: period 1 July 2016 to 31 March 2018. - 10 ton payload refuse truck, with dual rear wheels on tandem axles (604). Fitted with diesel engine capacity of 11000cm3 and Automatic transmission. 20,6m3 - HC 250 refuse compactor with bin lifters - Tata Novus v3txf	TATA Automobile Corporation PTY LTD	R 2 359 287,00
SCM7/2018/19	Infrastructure Service - Solid Waste	Transport service for containerised waste from public drop-off's and open spaces to Bredasdorp landfill for a period of 3 years	DP Truck Hire	R 2 096 651,25
SCM21/2017/18	Infrastructure Service - Roads & Stormwater	Paving of sidewalks in LÁgulhas	Cape Agulhas Civils CC	R 1 370 828,75
SCM20/2017/18	Management Services - Public Services	Upgrading of tidal pools in LÁgulhas	LUCOR CONSTRUCTION PTY LTD	R 1 041 584,76
SCM6/2017/18	Infrastructure Service - Roads & Stormwater	Upgrading of industrial road in Struisbaai	Cape Agulhas Civils CC	R 998 697,00

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SCM1/2017/18	Management Services - Public Services	Building of bathrooms	Entas Construction And Projects CC	R 882 050,00
	Infrastructure Services - Water & Sanitation Services, Roads & Stormwater	Appointment of professional service providers - structural engineering services	WEC Consult PTY LTD	R 672 144,00
SCM7/2017/18	Infrastructure Services - Water & Sanitation Services	Replacement of water main in Viljoen Street, Bredasdorp	AMS Civils PTY LTD	R 603 077,10

c) **Reported bids over R100 000**

In terms of MFMA Circular 34, all awards above R100 000 must be reported to Provincial and National Treasury within 15 days of the end of each month. The Municipality awarded a total of 53 bids over the value of R100 000 during the 2017/18 financial year.

TABLE 71 REPORTED BIDS OVER R100 000

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUSES	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE (Bid value)	PREMIUM PAID (Value)	EXPANSION VALUE
T66/2017	Appointment of a travel agency for a period of 3 years. (SCM3-2017-18)	Harvey world travel Bredasdorp	Level 4	Competitive bids	R 97 000,00	R 97 000,00	-	R 97 000,00
T14/2018	Building of bathrooms (SCM18/2017/18)	Entas Construction and Projects	Level 1	Competitive bids	R 882 050,00	R 882 050,00	-	R 882 050,00
T67/2017	Construction of a new disabled toilet at the Bredasdorp sports ground. (q5-2017-18)	Huwill Construction CC	Level 1	Price quotations	R 88 806,00	R 88 806,00	-	R 88 806,00
T18/2018	Construction of play park in Bredasdorp (q21/2017/18)	Entas Construction and Projects	Level 1	Price quotations	R 115 000,00	R 115 000,00	-	R 115 000,00
T26/2018	Establishment of server room at Napier offices. (SCM23-2017-18)	Trackos Projects (PTY) LTD	Level 4	Competitive bids	R 472 894,95	R 472 894,95	-	R 472 894,95
T55/2017	Extension/renewal of contract in relation to the document management system and related services - Collaborator Foundation System Support Services.	Business Engineering (PTY) LTD	Non-compliant contributor	Deviations	R 383 477,46	R 383 477,46	-	R 383 477,46
T61/2017	Fit suspended ceiling at Struisbaai community hall. Q3/2017/18	Actebis 172cc T/A Els Bouers	Non-compliant contributor	Price quotations	R 103 832,63	R 103 832,63	-	R 103 832,63
T112/2018	ICT support services for a period of 36 months. (SCM25/2017/18)	DFA Solutions	Level 1	Competitive bids	R 3 846 686,75	R 3 846 686,75	-	R 3 846 686,75
T89/2017 (1)	In terms of reg. 32 of municipality SCM regarding contract secured by the	Quantra Consulting PTY LTD	Non-compliant	Deviations	R 542 982,00	R 542 982,00	-	R 542 982,00

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CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE (Bid value)	PREMIUM PAID (Value)	EXPANSION VALUE
	Oudtshoorn municipality for duties. Appointment of prof. Services providers civil engineering services.		contributor					
T89/2017 (2)	In terms of reg.32 of municipality SCM regarding contract secured by the Oudtshoorn municipality duties. Appointment of prof. Services providers structural engineering services.	WEC-Consult PTY LTD	Non-compliant contributor	Deviations	R 672 144,00	R 672 144,00	-	R 672 144,00
T12/2018	Laundry & ironing services for a period ending 28.02.2018 SCM11/2017/18	AE Needthling t/a Soapy Moments	Level 4	Competitive bids	R 153 252,00	R 153 252,00	-	R 153 252,00
T110/2018	Paving of sidewalks in L'agulhas. (SCM21/2017/18)	Cape Agulhas Civils CC	Level 2	Competitive bids	R 1 370 828,75	R 1 370 828,75	-	R 1 370 828,75
T106/2018	Processing of recycled materials in Cape Agulhas area for a period of 3 years. (SCM6-2018-19)	R Cupido	Non-compliant contributor	Competitive bids	R 216 000,00	R 216 000,00	-	R 216 000,00
T73/2017	Provision of professional services: supervision and contract management for roads in Bredasdorp (q7-2017-18)	Engineering Advice & Services	Non-compliant contributor	Price quotations	R 93 000,00	R 93 000,00	-	R 93 000,00
T74/2017	Provision of professional services: supervision and contract management for roads in Napier (q8-2017-18)	Engineering Advice & Services	Non-compliant contributor	Price quotations	R 93 000,00	R 93 000,00	-	R 93 000,00
T91/2017	Repairs & maintenance of motor vehicles & machinery- item2: supply of 4 wheel rims with lock rings	Soetmuis Vier BK t/a kwik 'n go	Level 4	Competitive bids	R 34 120,00	R 32 923,20	R 1 196,80	R 34 120,00
T93/2017	Repairs & maintenance of motor vehicles & machinery- item6: line boring & machinery of cradle and backhoe sliding support	Zck Trading	Non-compliant contributor	Competitive bids	R 86 412,00	R 86 412,00	-	R 86 412,00
T92/2017	Repairs & maintenance of motor vehicles and machinery - item 3:	Fantastic Investments 456 t/a hi-q Bredasdorp	Non-compliant	Competitive bids	R 52 797,20	R 52 797,20	-	R 52 797,20

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CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE (Bid value)	PREMIUM PAID (Value)	EXPANSION VALUE
	supply & fitment of 4 mining type tyres 2oply.		contributor					
T90/2017	Repairs and maintenance of motor vehicles & machinery- item1: remanufacture of a Nissan fd46 c cylinder diesel engine (SCM9-2017-18)	Tygerberg Engine Rebuilders	Level 4	Competitive bids	R 75 752,36	R 75 752,36	-	R 75 752,36
T17/2018	Replace existing floor with Marley tiles at Struisbaai community hall. (q20-2017-18)	Entas Construction And Projects	Level 1	Price quotations	R 117 386,25	R 117 386,25	-	R 117 386,25
T62/2017	Replace wooden windows with aluminium windows at Struisbaai ablution facilities. Q4/2017/18	DC Zeeman t/a Aluminium Designs	Level 1	Price quotations	R 61 020,00	R 61 020,00	-	R 61 020,00
T80/2017	Replacement of water main in Viljoen street, Bredasdorp. (SCM7-2017-18)	Ams Civils (PTY) LTD	Level 1	Competitive bids	R 603 077,10	R 602 478,60	R 598,50	R 603 077,10
T63/2017	Reposition of existing wooden boardwalk between the Nostra parking and Struisbaai harbour. (SCM1/2017/18)	Cape Agulhas Civils CC	Level 2	Competitive bids	R 245 812,50	R 245 812,50	-	R 245 812,50
T51/2017 (RT57-02-24-02)	Rt57/2016 supply & delivery of motor vehicles, busses and motor to the state:1 July 2016 to 31 mrt 2018 - lcv 4x4, 2400cm3, payload not less than 750kg.	Nissan (South Africa) PTY LTD	Non-compliant contributor	Competitive bids	R 214 895,92	R 214 895,92	-	R 214 895,92
T53/2017 (RT-03-08-04)	Rt57/2016:supply&delivery of motor vehicle, light and heavy commercial vehicle, busses and motor cycles to the state: period 1 July 2016 to 31 mrt 2018 - 10 ton payload refuse truck with dual rear wheels on tandem axles. Fitted with diesel engine capacity of 11000cm3 and developing not less than 200kw.	Tata Automobile Corporation (SA)	Non-compliant contributor	Competitive bids	R 2 359 287,00	R 2 359 287,00	-	R 2 359 287,00
T51/2017 (RT57-01-14-01)	Rt57/2016:supply&delivery of motor vehicles, light and heavy commercial vehicles, busses and motor cycles to the	Volkswagen of South Africa PTY LTD	Non-compliant contributor	Competitive bids	R 189 114,60	R 189 114,60	-	R 189 114,60

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CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATU S	SOURCE METHOD	CONTRA CT VALUE	LOWEST ACCEPTAB LE (Bid value)	PREMIU M PAID (Value)	EXPANSI ON VALUE
	state: period 1 July 2016 to 31 march 2018 - four/five seater sedan 4 doors 1400cm3- polo vivo sedan 1.4 t/line 63kw.							
T51/2017 (RT57-02-16-01)	Rt57/2016:supply&d elivery of motor vehicles, light and heavy commercial vehicles, busses and cycles to the state: period 1 July 2016 to 31 mrt 2018-lcv 1600cm3,payload approximately 500kg ub3 np200 1,6 mid specs.	Nissan (south Africa) PTY LTD	Non-complia nt contrib utor	Competiti ve bids	R 163 236,50	R 163 236,50	-	R 163 236,50
T68/2017 (2)	Safeguarding of Arniston reception area - wooden structures. (q6-2017-18)	Tip of Africa creations	Level 4	Price quotation s	R 22 700,00	R 22 700,00	-	R 22 700,00
T68/2017 (1)	Safeguarding of Arniston reception area- supply & fitment of glass panels. (q6-2017-18)	Dc Zeeman t/a aluminium designs	Level 1	Price quotation s	R 75 600,00	R 75 600,00	-	R 75 600,00
T111/2018	Supply & delivery of 2000w metal halide floodlights. (SCM24/2017/18)	Carbon Reduction Technologies	Level 1	Competiti ve bids	R 349 319,40	R 349 319,40	-	R 349 319,40
T10/2018	Supply & delivery of air conditioners (q19/2017/180)	Gansbaai Aircon & Refrigeration CC	Level 4	Price quotation s	R 40 264,10	R 40 264,10	-	R 40 264,10
T3/2018	Supply & delivery of computer equipment - group 1 - desktops (q14/2017/18)	CHM Vuwani Computer Solutions	Level 2	Price quotation s	R 41 908,42	R 41 908,42	-	R 41 908,42
T4/2018	Supply & delivery of computer equipment - group 2 network switches (q14/2017/18)	CHM Vuwani Computer Solutions	Level 2	Price quotation s	R 106 257,55	R 101 370,64	R 4 886,91	R 106 257,55
T75/2017	Supply & delivery of computer equipment: group 1 - desktops, led screen & laptops. (SCM5-2017-18)	Dlk Group (pty) ltd	Level 1	Competiti ve bids	R 215 541,24	R 202 075,00	R 13 466,24	R 215 541,24
T76/2017	Supply & delivery of computer equipment: group 3 - server (SCM5-2017-18)	Dlk Group (pty) ltd	Level 1	Competiti ve bids	R 311 295,24	R 311 295,24	-	R 311 295,24
T6/2018	Supply & delivery of engine scag (q15/2017/18)	Turf cutters (pty) ltd	Level 1	Price quotation s	R 42 750,00	R 42 750,00	-	R 42 750,00
T8/2018	Supply & delivery of inspection camera and metal detector (q17/2017/18) (q17/2017/18)	Orsco (pty) ltd	Level 1	Price quotation s	R 125 300,00	R 125 300,00	-	R 125 300,00

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CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE (Bid value)	PREMIUM PAID (Value)	EXPANSION VALUE
T11/2018	Supply & delivery of laptops (q22/2017/18)	CHM Vuwani Computer Solutions	Level 2	Price quotations	R 83 519,06	R 83 519,06	-	R 83 519,06
T2/2018	Supply & delivery of lime dosing pump (q12/2017/18)	Agricultural Rural Development Services	Level 1	Price quotations	R 59 305,65	R 59 305,65	-	R 59 305,65
T65/2017	Supply & delivery of office furniture. (q1-2017-18)	Parkerson Thomas Technologies Cc	Non-compliant contributor	Price quotations	R 65 890,86	R 65 890,86	-	R 65 890,86
T9/2018	Supply & delivery of plate compactors (q18/2017/18)	Ian Dickie & Co (Pty) Ltd	Level 8	Price quotations	R 42 841,41	R 42 841,41	-	R 42 841,41
T84/2017	Supply & erect fencing at Arniston library. (q9-2017-18)	DC Zeeman T/A Aluminium Designs	Level 1	Price quotations	R 158 980,00	R 158 980,00	-	R 158 980,00
T7/2018	Supply & erection of fencing at Bredasdorp cemetery. (q15/2017/18)	PSClearing & Cleaning Services	Level 1	Price quotations	R 70 460,00	R 70 460,00	-	R 70 460,00
T60/2017	Supply & install aluminium windows frames/tinting at the community hall, sport complex. Q2/2017/18	DC Zeeman T/A Aluminium Designs	Level 1	Price quotations	R 53 705,00	R 53 705,00	-	R 53 705,00
T15/2018	Supply & install of liquid aluminium dosing system at Bredasdorp wtw (SCM8/2017/18)	Maxal Projects SA (Pty) Ltd	Level 8	Competitive bids	R 328 186,62	R 328 186,62	-	R 328 186,62
T71/2017	Supply & installation of air conditioners (SCM2-2017-18)	JC Refrigeration Cape	Level 4	Competitive bids	R 127 949,00	R 127 949,00	-	R 127 949,00
T23/2018	Supply & installation of chlorine dosing system (q23-2017-18)	Ikusasa Chemicals (Pty) Ltd	Level 2	Price quotations	R 93 738,80	R 93 738,80	-	R 93 738,80
T82/2018	Transfer and registration of state subsidised houses & restoration of title deeds. (SCM22/2017/18)	Kruger & Blignaut	Non-compliant contributor	Competitive bids	R 540 000,00	R 540 000,00	-	R 540 000,00
T107/2018	Transport service for containerised waste public drop-off's and open spaces to Bredasdorp landfill site for a period of 3 years. (SCM7-2018-19)	DP Truck Hire	Level 1	Competitive bids	R 2 096 651,25	R 2 096 651,25	-	R 2 096 651,25
T94/2017	Upgrading of gravel roads to surfaced standard in Bredasdorp & Napier. (SCM10/2017/18)	Cape Agulhas Civils cc	Level 2	Competitive bids	R 3 259 961,10	R 3 259 961,10	-	R 3 649 908,60
T82/2017	Upgrading of industrial roads in	Cape Agulhas Civils cc	Level 2	Competitive bids	R 998 697,00	R 998 697,00	-	R 998 697,00

CONTRACT IDENTIFIER	COMMODITY DESCRIPTION	SUPPLIER	BEE STATUS	SOURCE METHOD	CONTRACT VALUE	LOWEST ACCEPTABLE (Bid value)	PREMIUM PAID (Value)	EXPANSION VALUE
	Struisbaai. (SCM6-2017-18)							
T25/2018	Upgrading of tidal pools in L'Agulhas. (SCM20-2017-18)	Lucor Construction PTY LTD	Level 4	Competitive bids	R 1 041 581,76	R 1 041 584,76	-	R 1 041 581,76
T19/2018	Upgrading of valves and pipes at L'Agulhas reservoirs (SCM13/2017/18)	Cape Agulhas Civils cc	Level 2	Competitive bids	R 309 292,50	R 309 292,50	-	R 340 204,50
TOTAL					R 23 995 561,93	R 23 975 416,48	R 20 148,45	R 24 416 421,43

d) Spending in term of BBBEE

The following table indicates the Municipality is spending in terms of BBBEE for the financial year.

TABLE 72 SUMMARY OF BBBEE SPENDING FOR THE FINANCIAL YEAR

BEE LEVEL	TOTAL CONTRACTS	TOTAL CURRENT CONTRACT VALUE	TOTAL LOWEST ACCEPTABLE BID VALUE	TOTAL PREMIUM PAID VALUE
Level 1	18	R 9 272 933,88	R 9 258 869,14	R 14 064,74
Level 2	9	R 6 930 875,18	R 6 505 128,77	R 4 886,91
Level 4	9	R 2 065 514,17	R 2 064 320,37	R 1 196,80
Level 8	2	R 371 028,03	R 371 028,03	-
Non-compliant contributor	15	R 5 776 070,17	R 5 776 070,17	-
Total	53	R 24 416 421,43	R 23 975 416,48	R 20 148,45

c) Awards Made by the Accounting Officer

No bids were awarded by the Accounting Officer in terms of Section 144 MFMA 56 of 2003 during the 2017/18 financial year.

2.4.10.3 DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES

The following table provides a summary of deviations approved for the 2017/18 financial year:

TABLE 73 SUMMARY OF DEVIATIONS FOR 2017/18

NUMBER OF DEVIATIONS	VALUE OF DEVIATIONS
Deviations for amounts below R30 000:	
63	R765 178.22
Deviations for amounts above R30 000:	
19	R1 545 355.81
Deviations for amounts above R200 000:	
1	R548 433.12

TABLE 74 BREAKDOWN OF DEVIATIONS 2017/18

DEVIATIONS FROM MINOR BREACHES OF THE SUPPLY CHAIN MANAGEMENT POLICY (SCM REGULATIONS 36 (1) (A), (I) (II), (III), (IV)&(V))	
Deviations below R30 000 1 July 2017 - 30 June 2018	
36 (1) (a) (i): Emergency	R36 856,34
36 (1) (a) (ii): Sole Provider	R375 396,78
36 (1) (a) (iii): Special Works of art	-
36 (1) (a) (iv): Animals for zoos	-
36 (1) (a) (v): Impractical or Impossible	R352 925,10
BELOW R30 000	R765 178,22
Deviations above R30 000 1 July 2017 - 30 June 2018	
36 (1) (a) (i): Emergency	R331 129,30
36 (1) (a) (ii): Sole Provider	R513 151,51
36 (1) (a) (iii): Special Works of art	-
36 (1) (a) (iv): Animals for zoos	-
36 (1) (a) (v): Impractical or Impossible	R701 075,00
ABOVE R30 000	R1 545 355,81
Deviations above R200 000 1 July 2017 - 30 June 2018	
36 (1) (a) (i): Emergency	-
36 (1) (a) (ii): Sole Provider	R548 433,12
36 (1) (a) (iii): Special Works of art	-
36 (1) (a) (iv): Animals for zoos	-
36 (1) (a) (v): Impractical or Impossible	-
ABOVE R200 000	R548 433,12
TOTAL AMOUNT OF DEVIATIONS APPROVED	R2 858 967,15
TOTAL SUMMARISED DEVIATIONS: 1 July 2017 - 30 June 2018	
36 (1) (a) (i): Emergency	R367 985,64
36 (1) (a) (ii): Sole Provider	R1 436 981,41
36 (1) (a) (iii): Special Works of art	R0,00
36 (1) (a) (iv): Animals for zoos	R0,00
36 (1) (a) (v): Impractical or Impossible	R1 054 000,10
TOTAL AMOUNT OF DEVIATIONS APPROVED	R2 858 967,15

2.4.10.4 LOGISTICS MANAGEMENT

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is communicated timely to the stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and services that are received are certified by the responsible person, which is in line with the general conditions of contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

The following item was identified as redundant and were written off.

TABLE 75 REDUNDANT AND WRITTEN OFF STOCK

STOCK ITEM NUMBER	STOCK ITEM DESCRIPTION	BALANCE - VALUE	BALANCE - QUANTITY	BALANCE - UNIT PRICE
14439	Cashier Receipts (4000 Per Box)	R21 000,00	30	R700,00

The annual stock count took place on Wednesday 27 June 2018. No surpluses or deficits was found during the stock count.

TABLE 76 STOCK VALUE AT MUNICIPAL STORES

STORE	OPENING VALUE	PURCHASES VALUE	ISSUES VALUE	BALANCE VALUE
Store A – Bredasdorp Stores	R 1 249 629,31	R 76 888,03	-R 257 222,89	R 1 069 294,45
Store B – Electrical Stores	R 102 375,00	R 4 095,00	R 0,00	R 106 470,00
Store C – Struisbaai Stores	R 115 188,68	R 18 233,31	-R 21 365,26	R 112 056,73
Total value of stock	R 1 467 192,99	R 99 216,34	-R 278 588,15	R 1 287 821,18

2.4.10.5 PROCUREMENT PLAN

One of the functions of SCM is to ensure that goods, works or services are delivered to the right place, in the right quantity, with the right quality, at the right cost and the right time in a normal procurement environment.

In order to fulfil the above function the SCM unit, together with the end-user, must apply strategic sourcing principles to determine the optimum manner in which to acquire goods, works or services. A procurement plan is compiled at the beginning of each financial year to guide the procurement of all capital expenditure. This ensures that user departments spend their budgets effectively, efficiently and economically. The procurement plan is updated following the approval of the adjustment budget.

The following is a summary of the procurement statistics for the 2017/18 financial year.

TABLE 77 PROCUREMENT STATISTICS

ALL REQUESTS DESCRIPTION	JULY - SEPTEMBER 2017 1ST QUARTER		OCTOBER - DECEMBER 2017 2ND QUARTER		JANUARY – MARCH 2018 3RD QUARTER		APRIL – JUNE 2018 4TH QUARTER		YEAR TO DATE SUMMARY: JUL - JUN 2018	
	TOTAL NO	VALUE	TOTAL NO	VALUE	TOTAL NO	VALUE	TOTAL NO	VALUE	TOTAL NO	VALUE
Requests processed	801	R7 768 441,08	1069	R19 008 533,32	1 014	R 11 810 226,26	783	R 11 593 535,96	3 667	R 50 180 736,62
Orders processed	816	R 7 773 550,41	1115	R 18 987 801,17	1 042	R 11 763 080,69	1 416	R 16 374 364,54	4 227	R 53 790 616,93
Request/ orders cancelled	15	R555 958,31	46	R559 373,77	28	R 567 969,87	633	R 4 780 828,58	715	R 6 188 706,04
Outstanding orders	409	R 4 774 924,94	552	R 10 153 914,00	692	R 9 429 714,13	1 038	R 13 358 459,43	-	R 0,00
Paid orders	407	R 2 998 625,47	911	R 13 712 976,46	874	R 12 445 864,60	653	R 9 577 912,59	3 197	R 59 937 949,65

2.4.10.6 AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

In terms of Supply Chain Management Regulation 45, awards to close family members of persons in the service of the state must disclose particulars of awards of more than R2000 in the Annual Financial Statements. The following bids were awarded to a persons who have family members in services of the state:

TABLE 78 DIRECT AWARDS TO CLOSE FAMILY MEMBERS IN SERVICE OF THE STATE (CAPE AGULHAS MUNICIPALITY)

SCM PROCESS FOLLOWED	DESCRIPTION	AWARDED TO	RELATIONSHIP	AMOUNT PAID AS AT 30 JUNE 2018
Direct Transactions	Pauper burials	Adonai Funeral Home	Brother Of CAM Official Mr. D Fredericks	R 25 025,00
Quotations	Catering & refreshments	EE Spandiel	Parent Of CAM Official Mr. H Spandiel	R 15 983,00
Quotations	Various transport	M Waxa T/A Tamtura Waxa Taxi Services	Brother Of CAM Officials Mr. X Waxa And Mr. T Waxa	R 3 200,00
TOTAL				R 44 208,00

TABLE 79 INDIRECT AWARDS TO CLOSE FAMILY MEMBERS IN SERVICE OF THE STATE

SCM PROCESS FOLLOWED	BESKRYWING/ DESCRIPTION	AWARDED TO	RELATIONSHIP	AMOUNT PAID AS AT 30 JUNE 2018
Tenders	Plant hire for construction purposes, construction of Ou Meule pumpstation, upgrading of gravel roads to surfaced standard in Bredasdorp & Waenhuiskrans,	Cape Agulhas Civils	Ms. TI Du Toit Spouse Of DH Du Toit, Director In Cape Agulhas Civils Is In Service Of The Department Of Health	R 5 089 407.04
Tenders & Quotations	Computer accessories & stationery	Canfred Computers T/A Premium Computers & Stationers Swellendam	Mr. N Eksteen, parent of both Shareholders/Directors of Premium Computers & Stationers Swellendam is in service of Denel Otr	R 55 012,00
Tenders	Annual stores stock & services: item 10 -14 plumbing ware	Ikapa Reticulation & Flow	Spouse Of Director Is Employed By Western Cape Education Department (Athlone School For The Blind)	R 228 901.28
Tenders	Professional services: external audit of landfills and annual report	NCC Environmental Services	Chadre Rhode (Spouse) Of Director Is In service of the state	R 0,00
Tenders	Supply & installation of aluminium windows, tinting at the community hall (sport complex)	DC Zeeman T/A Aluminium Designs	V Zeeman (Spouse) Of Owner Is In service of the state (Overberg District Municipality	R 350 615.00

Quotations	Bedding for resorts	Bren Jac-Lin Cc T/A Undercover	AJ Van Der Walt (Spouse) Of Owner is in service of Denel OTR	R320.00
TOTAL				R 5 724 255.32

2.4.10.7 MONITORING OF CONTRACTS & PERFORMANCE

The monitoring and performance of contracts was identified as an area requiring attention, and a Performance Management system for Contracts was implemented in June 2018. The performance of all vendors is now reviewed on the collaborator system.

2.4.10.8 HUMAN RESOURCES

The staff component of the Supply Chain Management unit is as follows:

- Manager Supply Chain Management
- Accountant Supply Chain Management
- Supply Chain Management Practitioner
- SCM Administrator
- SCM Buyer
- Storekeeper
- Stores Clerk

SCM staff undertook the following training in 2017/18

TABLE 8o SCM TRAINING 2017/18

TRAINING	DATE
SCM Infrastructure Procurement Delivery Management training	4 - 8 June 2018
Msoa training	12 June 2018
SCM Training	4 - 5 April 2018
Municipal Minimum Competency Level Training	June 2018 – June 2019
SCM Standard for Infrastructure Procurement Delivery Management	31 Oct – 1 Nov 2017
SCM Contract Management	19-21 Feb 2018

2.4.10.9 SYSTEMS

a) Supplier Database

The total number of registered suppliers until 30 June 2018 was 1096. A total of 94 new suppliers registered during 2017/18

b) Web Based Central Supplier Database (CSD)

With effect from 1 July 2016, Municipalities and Municipal Entities must use the CSD supplier number starting with (MAAA) which is auto generated by the Central Database System after successful registration and validation of the prospective provider as mandatory requirement as part of listing criteria for accrediting prospective provider in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations.

c) E Tender Publication

With effect from 1 July 2016, municipalities and municipal entities must advertise and publish all awards above R200 000, deviations and limited bids on the E-portal publication. The Cape Agulhas Municipality advertised all formal written quotations above R30 000 as well.

d) Financial System

All orders and store requisitions are captured on the Phoenix (Vesta) financial system. From 2 May 2018 the electronic requisitioning system was implemented on Collaborator, which integrates with the Phoenix financial system.

2.4.10.10 PARTICIPATION IN INTERGOVERNMENTAL FORUMS

The Manager SCM's participation in Provincial and District SCM Forums ensures valuable inputs which enable Cape Agulhas Municipality to implement equitable, transparent, competitive and cost effective supply chain management procedures. The following meetings took place during the 2017/18 financial year:

- 13 September 2018 SCM Forum
- 6 October 2018 SCM Forum
- 20 – 21 November 2017 SCM Indaba
- 2 March 2018 SCM Forum
- 23 May 2018 Steering Committee :SCM-LED Indaba 2018

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 INTRODUCTION

This chapter constitutes the Annual Performance Report of the Cape Agulhas Municipality for 2017/18, which has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, Act 32 of 2000.

This report provides an overview of the actual performance of the Cape Agulhas Municipality for the period 1 July 2017 to 30 June 2018 as measured against the strategic objectives that are set out in the Integrated Development Plan (IDP) and the Key Performance Indicators (KPI's) contained in the approved Service Delivery Budget Implementation Plan (SDBIP). It also includes a comparison of the Municipality's actual 2017/18 performance as measured against the actual 2016/17 performance.

This Chapter aligns to the National Key Performance Areas (KPA's) of **basic service delivery** and **local economic development** as contained in the Local Government: Municipal Planning and Performance Management Regulations of 2001 read together with Section 43 of the MSA.

3.2 LEGISLATIVE FRAMEWORK

Performance management is regulated by Chapter 6 of the Municipal Systems Act (MSA), Act 32 of 2000 read together with the Municipal Planning and Performance Management Regulations, 796 of August 2001 as well as the Municipal Finance Management Act (MFMA), Act 56 of 2003.

Section 46 of the Municipal Systems Act, Act 32 of 2000, provides that:

"46. (1) A Municipality must prepare for each financial year; a performance report reflecting:

- a) the performance of the municipality and of each external service provider during that financial year:*
- b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year: and*
- c) measures taken to improve performance.*

(2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."

Section 38 of the Municipal Systems Act requires municipalities to establish a performance management system. Section 7(1) of the Municipal Planning and Performance Management Regulations states that *"A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players."* This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

Performance Management uses the approved Service Delivery Budget Implementation Plan (SDBIP) as its basis. Section 1 of the MFMA defines the service delivery and budget implementation plan as:

"a detailed plan approved by the mayor of a municipality in terms of Section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:

- *Projections for each month of revenue to be collected by source and operational and capital expenditure by vote*
- *Service delivery targets and performance indicators for each quarter”.*
- *Budget processes and related matters”*

3.3 OVERVIEW OF PERFORMANCE MANAGEMENT WITHIN THE MUNICIPALITY

Performance is measured on an organisational (strategic) level as well as an individual level in accordance with a framework that was approved by Council on 29 May 2007 (Council Resolution 101/2007). The IDP, budget and performance management processes are integrated, and the 2017/18-2021/22 Integrated Development Plan was approved by Council on 30 May 2017 (Council Resolution 99/2017).

3.3.1 ORGANISATIONAL PERFORMANCE MANAGEMENT

a) Top Layer SDBIP (The municipal scorecard)

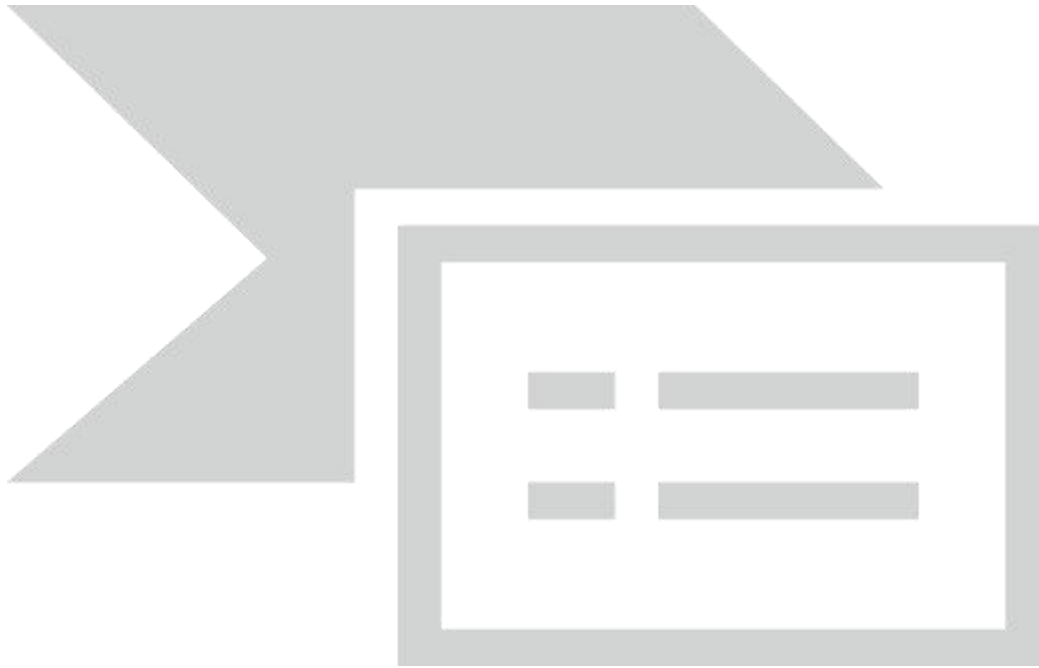
The SDBIP is a layered plan comprising a Top Layer SDBIP and Departmental SDBIPs. The Top Layer SDBIP comprises quarterly, high-level service delivery targets. It is a public document, which was approved by the Executive Mayor on 26 June 2017. Reporting on the Top Layer SDBIP is done to the Mayoral Committee and Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report) and annual basis (Annual Report). Any amendments to the Top Layer SDBIP must be approved by Council following the submission of the Mid-year Budget and Performance Assessment Report and the approval of the adjustment budget. The Municipal Council approved amendments to the Top Layer SDBIP on 30 January 2018 and these changes have been incorporated into the Top Layer SDBIP.

The 5 components of the SDBIP are:

- Monthly projections of revenue to be collected for each source
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Quarterly projections of service delivery targets and performance indicators for each vote
- Ward information for expenditure and service delivery
- Detailed capital project plan broken down by ward over three years

The following diagram illustrates the establishment, components and review of the Municipal scorecard (Top Layer SDBIP):

FIGURE 4 COMPONENTS OF THE MUNICIPAL SCORECARD



3.3.2 THE PERFORMANCE MANAGEMENT SYSTEM

The Municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- The calculation of the actual performance reported (If %).
- A performance comment on actual achievement with full explanations if targets were not achieved.
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

3.3.3 INDIVIDUAL PERFORMANCE MANAGEMENT

a) Municipal Manager and Managers directly accountable to the Municipal Manager

The Municipal Systems Act requires the Municipality to conclude performance based agreements with all Section 57-employees. It also requires that their performance be reviewed annually. This process and the format thereof is regulated by Regulation 805 (August 2006) as amended by Regulation 21 (January 2014). All performance agreements for the 2017/18 financial year were signed by 30 July 2017. The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The mid-year performance evaluations (1 July 2017 to 31 December 2017) took place on 26 February 2018 and the final evaluation of the 2017/18 financial year (1 January 2017 to 30 June 2018) took place on 11 October 2018.

The appraisals were done by an evaluation panel as prescribed by Regulation 805 and the signed performance agreements and consisted of the following people:

- Executive Mayor;
- Portfolio Chairperson;
- Municipal Manager (in case of the performance reviews of a Director);

- Chairperson of the Audit Committee;
- Member of the Community.

b) Other municipal personnel

The Municipality has implemented individual performance management to lower level staff in annual phases. All staff on post level 0 - 17 have performance agreements or performance development plans for the 2017/18 financial year. The mid-year performance of 2017/18 (1 July 2017 to 31 December 2017) took place in March 2018 and the final evaluation of the financial year (1 January 2018 to 30 June 2018) took place in September 2018. The evaluation of performance is done between a manager and the employee in the presence of the applicable supervisor after which senior management do a moderation of all the results to ensure reliable and realistic outcomes.

3.3.4 SERVICE PROVIDER STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement.

- A service provider means “a person or institution or any combination of persons and institutions which provide a municipal service”
- An external service provider means “an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality”
- A service delivery agreement means “an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality”

The Cape Agulhas Municipality did not utilise the services of any such service provider during the financial year.

3.4 STRATEGIC PERFORMANCE 2017/18

3.4.1 OVERVIEW

The Cape Agulhas Municipality has six key performance areas, which derive from the national key performance areas of local government. The 6 strategic goals and 12 strategic objectives of the Municipality align to these key performance areas.

TABLE 81 ALIGNMENT OF KEY PERFORMANCE AREAS TO STRATEGIC GOALS AND OBJECTIVES

NATIONAL KPA	MUNICIPAL KPA	STRATEGIC GOAL	STRATEGIC OBJECTIVE
KPA1: Good Governance and Public Participation	MKPA1: Good Governance and Public Participation	SG1: To ensure good governance	SO1: To create a culture of good governance
			SO2: To create a culture of public participation and empower communities to participate in the affairs of the Municipality
KPA2: Municipal Institutional Development and Transformation	MKPA2: Municipal Institutional Development and Transformation	SG2: To ensure institutional sustainability	SO3: To create an administration capable of delivering on service excellence.
KPA3: Local Economic Development	MKPA3: Local Economic Development and Tourism	SG3: To promote local economic development in the Cape Agulhas Municipal Area	SO4: To create an enabling environment for economic growth and development
			SO5: To promote tourism in the Municipal Area
KPA4: Municipal Financial Viability and Management	MKPA4: Municipal Financial Viability and Management	SG4: To improve the financial viability of the Municipality and ensure its long term financial sustainability	SO6: To provide effective financial, asset and procurement management
KPA5: Basic Service Delivery	MKPA5: Basic Service Delivery	SG5: To ensure access to equitable affordable and sustainable municipal services for all citizens	SO7: Provision of equitable quality basic services to all households
			SO8: To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.
			SO9: To provide community facilities and services
			SO10: Development of sustainable vibrant human settlements
KPA5: Basic Service Delivery	MKPA6: Social and youth development	SG6: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality	SO11: To promote social and youth development
			SO12: To create and maintain a safe and healthy environment

The following graph provides an overview of the Municipality’s overall performance for the 2017/18 financial year. The Municipality set 50 Key Performance Indicators (KPI’s) for the financial year when the SDBIP was approved on 26 June 2017. One KPI was deleted with the SDBIP amendments that were approved on 30 January 2018. The Municipality met 33 (67%) of its targets, almost met another 7 (14%) and failed to meet 9 by the due date (18%).

FIGURE 5 PERFORMANCE PER STRATEGIC OBJECTIVE

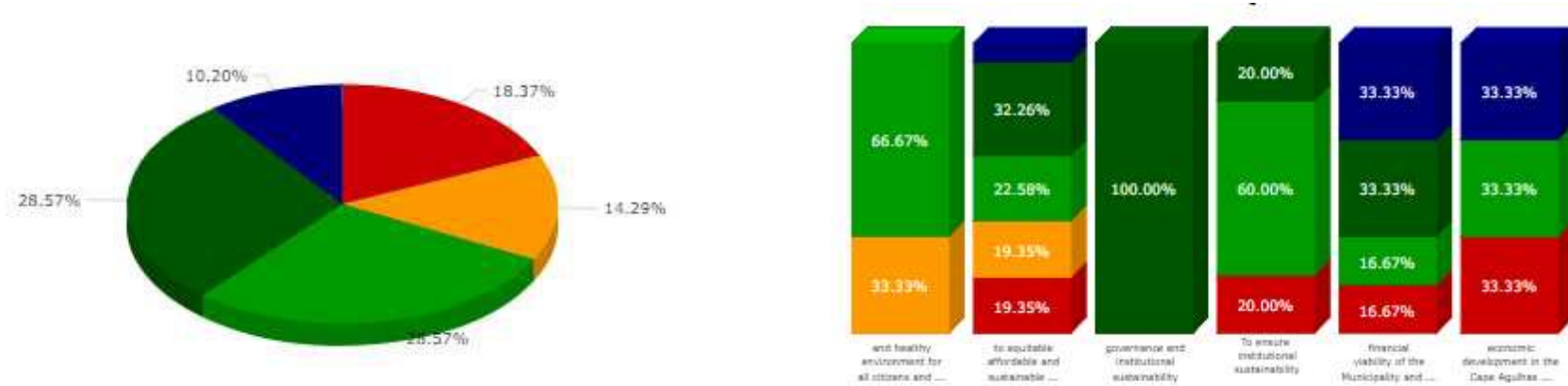


TABLE 82 PERFORMANCE PER STRATEGIC OBJECTIVE

	PRE-DETERMINED OBJECTIVES					
	<i>To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality</i>	<i>To ensure access to equitable affordable and sustainable municipal services for all citizens</i>	<i>To ensure good governance and institutional sustainability</i>	<i>To ensure institutional sustainability</i>	<i>To improve the financial viability of the Municipality and ensure its long term financial sustainability</i>	<i>To promote local economic development in the Cape Agulhas Municipal Area</i>
■ Not Met	-	6 (19.35%)	-	1 (20.00%)	1 (16.67%)	1 (33.33%)
■ Almost Met	1 (33.33%)	6 (19.35%)	-	-	-	-
■ Met	2 (66.67%)	7 (22.58%)	-	3 (60.00%)	1 (16.67%)	1 (33.33%)
■ Well Met	-	10 (32.26%)	1 (100.00%)	1 (20.00%)	2 (33.33%)	-
■ Extremely Well Met	-	2 (6.45%)	-	-	2 (33.33%)	1 (33.33%)
Total:	3 (6.12%)	31 (63.27%)	1 (2.04%)	5 (10.20%)	6 (12.24%)	3 (6.12%)

3.4.2 DETAILED PERFORMANCE FOR 2017/18 PER STRATEGIC OBJECTIVE







The following table explains the method by which the overall assessment of actual performance against target set for each KPI's of the SDBIP is measured.

TABLE 83 SDBIP MEASUREMENT CATEGORIES

RATING	CATEGORY	EXPLANATION
	KPI Not Met	$0\% \geq \text{Actual} / \text{Target} \leq 75$
	KPI Almost Met	$75\% \geq \text{Actual} / \text{Target} \leq 100$
	KPI Met	Actual target =100%
	KPI Well Met	$100\% \geq \text{Actual} / \text{Target} \leq 150$
	KPI Extremely Well Met	Actual / Target ≤ 150

3.4.2.1 STRATEGIC GOAL 1: TO ENSURE GOOD GOVERNANCE

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL49	Good Governance and Public Participation	To create a culture of good governance	Implement the RBAP for 2017/18 by 30 June 2018 {(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP)x100}	% of audits and tasks completed in terms of the RBAP	All	81.80%	85%	10%	30%	50%	85%	88.80%	G2	RBAP 88.1% completed	None required

Summary of Results: To ensure good governance		
	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	1
	KPI Well Met	0
	KPI Extremely Well Met	0
Total KPIs		1

3.4.2.2 STRATEGIC GOAL 2: TO ENSURE INSTITUTIONAL SUSTAINABILITY

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL41	Municipal Institutional Development and Transformation	To create an administration capable of delivering on service excellence.	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people from employment equity target groups employed in vacancies that arise in the three highest levels of management	All	0	1	0	0	0	1	0	R	The Director Infrastructure Services was appointed on 20 June 2018. Appointment is from the previous designated groups according to Employment Equity Act No 55, of 1998, but not an employment equity target.	A concerted effort was made to recruit a candidate from the designated group.
TL42	Municipal Institutional Development and Transformation	To create an administration capable of delivering on service excellence.	The percentage of the municipality's personnel budget actually spent on implementing its Workplace Skills Plan by 30 June 2018 in terms of the WSDL Act. $\{(Actual\ amount\ spent\ on\ training/total\ personnel\ budget) \times 100\}$	% of the personnel budget spent on training	All	0.43%	1%	0%	0%	0%	1%	1.37%	G2	1.37% of the salary budget was spent on training. (Total salary budget R115,542,164. Total spent on training R1,587,051)	None required
TL43	Municipal Institutional	To create an administration	Compile a new Five Year	Employment Equity Plan	All	New KPI	1	1	0	0	0	1	G	The new Employment	None required

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18					
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures		
	Development and Transformation	capable of delivering on service excellence.	Employment Equity Plan and submit to Council for approval by 30 September 2017	compiled and submitted to Council for approval													
TL45	Municipal Institutional Development and Transformation	To create an administration capable of delivering on service excellence.	Compile a Process Plan for the completion of the land audit of the municipality and submit to Council for approval by 30 September 2017	Process plan compiled and submitted to Council for approval	All	New KPI	1	1	0	0	0	1	G	The Process Plan for the Land Audit was approved by the Mayoral Committee on 19 September 2017. (Resolution BK157/2017)	None required		
TL48	Municipal Institutional Development and Transformation	To create an administration capable of delivering on service excellence.	Review the micro structure in line with the revised socio economic macro structure by 30 December 2017	Number of approved micro structures	All	New KPI	1	0	1	0	0	1	G	The micro structure was reviewed and approved by Council on 7 December 2017. (Resolution 241/2017)	None required		

Summary of Results: To ensure institutional sustainability		
	KPI Not Yet Measured	0
	KPI Not Met	1
	KPI Almost Met	0
	KPI Met	3
	KPI Well Met	1

■	KPI Extremely Well Met	0
Total KPIs		5

3.4.2.3 STRATEGIC GOAL 3: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT IN THE CAPE AGULHAS MUNICIPAL AREA

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL40	Local Economic Development	To create an enabling environment for economic growth and development	Create FTE's through government expenditure with the EPWP by 30 June 2018	Number of FTE's created	All	52	30	0	0	0	30	118	B	118 FTE's were achieved.	None required
TL44	Municipal Institutional development and transformation	To create an enabling environment for economic growth and development	Appoint a service provider to conduct a basic assessment for the New Bredasdorp Industrial Development by 30 March 2018	Service provider appointed	All	New KPI	1	0	0	1	0	0	R	Specifications finalised and tender advertised. Tender closed in early April 2018. Tenders evaluated and submitted to BAC, who referred it back.	Service provider will be appointed early in July 2018
TL50	Local Economic Development	To promote tourism in the Municipal Area	Revise the LED Strategy and submit to Council for consideration by 30 June 2018	Number of LED Strategy's revised	All	1	1	0	0	0	1	1	G	LED Strategy Submitted to Council on 22 June 2018 (Resolution 80/2018)	None required

Summary of Results: To promote local economic development in the Cape Agulhas Municipal Area		
	KPI Not Yet Measured	0
	KPI Not Met	1
	KPI Almost Met	0
	KPI Met	1
	KPI Well Met	0
	KPI Extremely Well Met	1
Total KPIs		3

3.4.2.4 STRATEGIC GOAL 4: TO IMPROVE THE FINANCIAL VIABILITY OF THE MUNICIPALITY AND ENSURE ITS LONG TERM FINANCIAL SUSTAINABILITY

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL8	Municipal Financial Viability and Management	To provide effective financial, asset and procurement management	Develop an implementation plan for the Revenue Enhancement Strategy and submit to Council for approval by 30 December 2017	Revenue Enhancement Strategy implementation plan developed and submitted to Council for approval	All	New KPI	1	0	1	0	0	1	G	The Revenue Enhancement Action Plan was approved by the Municipal Council on 7 December 2017 (Resolution 254/2017)	None required
TL9	Municipal Financial Viability and Management	To provide effective financial, asset and procurement management	The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2018 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% of the municipal capital budget spent	All	85.98%	95%	7%	65%	80%	95%	95.48%	G2	95.48% of the total capital budget spent. (R32 006 030 of R 33 519 443 spent)	None required
TL10	Municipal Financial Viability and Management	To provide effective financial, asset and	Financial viability measured in terms of the municipality's	% Debt to Revenue	All	1.14%	25%	0%	0%	0%	25%	7.32%	B	Debt to revenue 7.32%	None required

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
		procurement management	ability to meet it's service debt obligations as at 30 June 2018 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)													
TL11	Municipal Financial Viability and Management	To provide effective financial, asset and procurement management	Financial viability measured in terms of the outstanding service debtors as at 30 June 2018 (Total outstanding service debtors/ revenue received for services)	% Service debtors to revenue	All	8.18%	10%	0%	0%	0%	10%	10.47%	R	Service debtors to revenue 10.47%	Ongoing improvement of credit control measures	
TL12	Municipal Financial	To provide effective	Financial viability	Cost coverage	All	1.18%	1	0	0	0	1	2.26	B	Cost coverage 2.26	None required	

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
	Viability and Management	financial, asset and procurement management	measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2018 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))													
TL13	Municipal Financial Viability and Management	To provide effective financial, asset and procurement management	Achieve a debtors payment percentage of at least 96% by 30 June 2018{(Gross	% debtors payment ratio achieved	All	99.07%	96%	96%	96%	96%	96%	96.50%	G2	Debt collection rate is 96.50%	None required	

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
			Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100}													

Summary of Results: To improve the financial viability of the Municipality and ensure its long term financial sustainability		
	KPI Not Yet Measured	0
	KPI Not Met	1
	KPI Almost Met	0
	KPI Met	1
	KPI Well Met	2
	KPI Extremely Well Met	2
Total KPIs		6

3.4.2.5 STRATEGIC GOAL 5: TO ENSURE ACCESS TO EQUITABLE AFFORDABLE AND SUSTAINABLE MUNICIPAL SERVICES FOR ALL CITIZENS

Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL1	Basic Service Delivery	Provision of equitable quality basic services to all households	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2018	Number of residential properties which are billed for water or have pre-paid meters	All	8677	8,677	8,601	8,601	8,677	8,677	8772	G 2	8772 Formal residential properties received piped water that is connected to the municipal water infrastructure network and were billed accordingly.	None required
TL2	Basic Service Delivery	Provision of equitable quality basic services to all households	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2018	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas)	All	9033	9,033	8,536	8,536	9,033	9,033	8,991	O	8991 Formal residential properties are connected to the electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and were billed accordingly.	None required. All properties have access to the electrical network
TL3	Basic Service Delivery	Provision of equitable quality basic services to all households	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for	Number of residential properties which are billed for sewerage	All	5991	8,995	8,800	8,800	8,995	8,995	8,929	O	8929 Formal residential properties are connected to the municipal waste water sanitation/sewerage network (inclusive	None required. All properties have access to sanitation services

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
			sewerage service (inclusive of septic tanks), irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2018												of septic tanks) and were billed accordingly.	
TL4	Basic Service Delivery	Provision of equitable quality basic services to all households	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2018	Number of residential properties which are billed for refuse removal	All	9614	9,614	9,551	9,551	9,614	9,614	8,914	O	Refuse was removed from 8914 formal residential properties once a week and was billed accordingly.	None required. All households were serviced.	
TL5	Basic Service Delivery	Provision of equitable quality basic services to all households	Provide 6kl free basic water per month to all households during the 2017/18 financial year	Number of HH receiving free basic water	All	8677	8,677	8,601	8,601	8,677	8,677	8,772	G2	8772 Households received 6kl free basic water.	None required	
TL6	Basic Service Delivery	Provision of equitable quality basic services to all households	Provide 50 kwh free basic electricity per month to poor households in terms of the equitable share requirements during the 2017/18 financial year	Number of poor households receiving free basic electricity	All	2588	3,080	3,419	3,419	3,080	3,080	3,145	G2	Free basic electricity provided to 3145 poor households.	None required	
TL7	Basic Service Delivery	Provision of equitable quality basic services to all households	Provide free basic sanitation and refuse to poor households in terms of the equitable share requirements	Number of poor households receiving free basic sanitation and refuse in terms of	All	2588	3,080	3,419	3,419	3,080	3,080	3,145	G2	Free basic sanitation and refuse provided to 3145 poor households.	None required	

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
			during the 2017/18 financial year	Councils indigent policy												
TL14	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Provide electricity to 138 RDP houses by 30 June 2018	Number of houses electrified	2	New KPI	138	0	0	0	138	0	R	Electricity was provided to 140 sites in phase 1. The houses have not yet been constructed yet.	None required, electricity is available and houses will be connected as soon as they are built.	
TL15	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	95% of the roads and storm water capital budget spent by 30 June 2018 {(Actual expenditure divided by the total approved roads and stormwater capital budget) x 100}	% of roads and storm water capital budget spent	All	82.90%	95%	0%	59%	67%	95%	97.75%	G2	97.75% of the Roads and Stormwater capital budget spent (R15 590 013.68 of R15 948 860 spent)	None required	
TL16	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Upgrade 3.5 kilometres of road in Bredasdorp (RDP) by 30 June 2018	Kilometres of road upgraded	3	New KPI	3.5	0	0	0	3.5	4.45	G2	4.45 Km Roads upgraded in Area F	None required	

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL17	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Upgrade 800 square meter paving in Bredasdorp by 31 December 2017	Square meter paving upgraded	3	New KPI	800	0	320	480	800	0	R	802.8 Square metres of paving was completed in Bredasdorp. Project could not be completed by the due date but was completed in the financial year.	None required. Project was completed
TL18	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Upgrade 800 M of gravel road (Industrial Road) to tar Struisbaai by 30 December 2017	Metres of road upgraded	3	New KPI	800	0	800	0	0	800	G	Struisbaai industrial road completed	None required
TL19	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	95% of the approved refuse removal capital budget spent by 30 June 2018 {(Actual expenditure divided by the total approved refuse removal capital budget) x 100}	% of refuse removal capital budget spent	All	100%	95%	0%	95%	95%	95%	100%	G2	100% of the approved refuse removal capital budget spent. (R 2 251 664.65 of R 2 251 710.00 spent)	None required
TL20	Basic Service Delivery	To maintain infrastructure and undertake development	Compile an implementation plan for the roll-out of the Wheelie Bin System and submit	Implementation plan compiled and submitted to Council for approval	All	New KPI	1	0	0	1	0	0	R	A study was done by JPCE PTY LTD on various aspects of waste management including future	None required. Report was considered by Mayoral

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18						
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures			
		t of bulk infrastructure to ensure sustainable service delivery.	to Council for approval by 30 March 2018														planning for shared landfill sites and implementation of the wheelie bin project. Report submitted to the Mayoral Committee on 17 April 2018 (Resolution BK55/2018)	Committee instead of Council
TL21	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	95% of the approved water capital budget spent by 30 June 2018 {(Actual expenditure divided by the total approved water capital budget) x 100}	% of water capital budget spent	All	65.60%	95%	6%	67%	90%	95%	77.28%	O	77.28% of the water and sanitation capital budget spent. (R2 728 673.33 of R3 530 752.00 spent).	None required. R600 000 was received from Province for Boreholes, hence the project did not have to be funded from our budget.			
TL22	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Limit unaccounted for water to less than 18% by 30 June 2018 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl. free basic water) / Number of Kilolitres Water	% unaccounted water	All	17.48%	18%	18%	18%	18%	18%	13.80%	B	Unaccounted water is 13.8% for the financial year. This reduction is due to concerted measures implemented to reduce water losses during the year.	None required			

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18				
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures	
			Purchased or Purified (½ 100}													
TL23	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	95% average water quality level obtained as per SANS 241 on micro parameters for all water supply areas during the 2017/18 financial year	% water quality level obtained	All	96.21%	95%	95%	95%	95%	95%	95.40%	G 2	Average water quality (SANS 241) for the year is 95.40%	None required	
TL24	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Appoint a consulting Engineer to update the Water Services Development Plan by 30 June 2018	Number of appointment letters	All	New KPI	1	0	0	0	1	1	G	Consulting engineers appointed for 3-year period for all the Municipalities civil works including the Water Services Development Plan.	None required	
TL25	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	60% waste water discharge quality obtained for Bredasdorp WWTW	% quality of waste water discharge obtained	All	62.02%	60%	60%	60%	60%	60%	55.55%	O	Average waste water quality for the year is 55.55%	A consulting Engineer has been appointed to do the designs for the upgrading of the waste water treatment works.	

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL26	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Appoint a consulting engineer to complete the design and contract documentation for the rehabilitation of the Waste Water Treatment Works in Bredasdorp by 30 June 2018	Number of appointment letters	2; 3; 4; 6	New KPI	1	0	0	0	1	1	G	Consulting engineers appointed for 3-year period for all the Municipalities civil works including the rehabilitation of the waste water treatment works	None required
TL27	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Limit unaccounted for electricity to less than 8% by 30 June 2018 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100	% unaccounted electricity	All	6.50%	8%	8%	8%	8%	8%	6.93%	B	Unaccounted electricity is 6.93% for the financial year. These losses are well within accepted norms.	None required
TL28	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	95% of the electricity capital budget spent by 30 June 2018 {(Actual expenditure divided by the total approved capital budget) x 100} as per individual project plans	% of electricity capital budget spent	All	99.03%	95%	28%	66%	87%	95%	92.56%	O	92.56% of the electricity capital budget spent.	All projects completed. Savings

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL29	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	95% of the INEP funds received spent by 30 June 2017 for the electrification of 69 IRDP houses {(Actual expenditure divided by the total received INEP allocation) x 100}	% of the INEP funds received spent	2	100.03%	95%	0%	30%	60%	95%	98.96%	G 2	98.96% of INEP funds spent. ((R989 633.30 of R 1 000 000.00 spent)	None required
TL30	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Investigate the feasibility of alternative energy sources to manage the demand for electricity and submit a report to Council for consideration by 30 June 2018	Feasibility investigated and report submitted to Council for consideration	All	New KPI	1	0	0	0	1	1	G	SSEG Policy and contract forms approved by Council on 27 March 2018 Resolution 24/2018. Policy promotes use of alternate energy	None required
TL31	Basic Service Delivery	Development of sustainable vibrant human settlements	Develop a Human Settlement Plan and submit to Council by 31 March 2018	Human Settlement Plan developed and submitted to Council for approval	All	1	1	0	0	1	0	0	R	The Human Settlement Plan was not approved by the due date but was submitted to Council on 24 April 2018.	None required
TL32	Basic Service Delivery	Development of sustainable vibrant human settlements	Provide 537 serviced sites in Area F, Bredasdorp by 30 June 2018	Number of serviced sites provided	2	New KPI	537	0	0	0	537	683	G 2	683 stands were serviced in Area F	None required

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Ref	KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Overall performance 2017/18			
								Target	Target	Target	Target	Actual	R	Performance Comment	Corrective Measures
TL33	Basic Service Delivery	Development of sustainable vibrant human settlements	Finalise the appeal process for the housing development in Struisbaai by 30 June 2018	Number of ROD's	5	New KPI	1	0	0	0	1	1	G	ROD received	None required
TL34	Basic Service Delivery	Development of sustainable vibrant human settlements	Provide 200 top structures in Area F, Bredasdorp by 30 June 2018	Number of top structures provided	2	New KPI	138	0	0	0	138	0	R	No top structures could be constructed in the financial year.	Awaiting funding for top structures. All requirements have been complied with
TL35	Basic Service Delivery	To provide community facilities and services	Obtain full Blue Flag status for Duiker Street Beach Struisbaai by 30 November 2017	Full Blue flag status received for Duiker Street Beach Struisbaai	5	1	1	0	1	0	0	1	G	Full Blue Flag Status was awarded on 4 October 2017.	None required
TL46	Basic Service Delivery	To maintain infrastructure and undertake development of bulk infrastructure to ensure sustainable service delivery.	Investigate the feasibility of establishing a Regional Landfill Site and submit a report to Council for consideration by 30 June 2018	Report submitted to Council for consideration	All	New KPI	1	0	0	0	1	0	R	A study was done by JPCE PTY LTD on various aspects of waste management including future planning for shared landfill sites and implementation of the wheelie bin project. Report submitted to the Mayoral Committee on 17 April 2018 (Resolution BK55/2018)	None required. Report considered by Mayoral Committee instead of Council







Summary of Results: To ensure access to equitable affordable and sustainable municipal services for all citizens		
	KPI Not Yet Measured	0
	KPI Not Met	6
	KPI Almost Met	6
	KPI Met	7
	KPI Well Met	10
	KPI Extremely Well Met	2
Total KPIs		31

3.4.2.6 STRATEGIC GOAL 6: TO CREATE A SAFE AND HEALTHY ENVIRONMENT FOR ALL CITIZENS AND VISITORS TO THE CAPE AGULHAS MUNICIPALITY

Ref	National KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Actual	R	Performance Comment	Corrective Measures
								Target	Target	Target	Target				
TL36	Basic Service Delivery	To create and maintain a safe and healthy environment	Spend 95% of the approved capital budget for the Management Services Directorate by 30 June 2018 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spent	All	New KPI	95%	13%	76%	95%	95%	86.45%	O	86.45% of the Management Services capital budget spent. (R 2 530 154.56 of R 2 926 850.00 spent)	Tidal pools are a roll over project, which started in 2017/18 and will be continued in 2018/19
TL37	Basic Service Delivery	To create and maintain a safe and healthy environment	Conduct a feasibility study to improve the safety and security (CCTV and other measures) within Cape Agulhas Municipality and submit to Council for	Feasibility study conducted and submitted to Council for consideration	All	New KPI	1	0	0	0	1	1	G	Feasibility study undertaken. The Council adopted a Smart City Strategy on 22 June 2018. One of the initiatives included in this strategy is the installation of CCTV cameras. (Resolution 81/2018)	None required

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Ref	National KPA	Strategic Objective	KPI	Unit of Measurement	Wards	Previous Year Performance	Annual Target	Q1	Q2	Q3	Q4	Actual	R	Performance Comment	Corrective Measures	
								Target	Target	Target	Target					
			consideration by 30 June 2018													
TL51	Good Governance and Public Participation	To promote social and youth development	Review the Youth Development Strategy and submit to Council for approval by 30 June 2018	Youth Development Strategy reviewed and submitted to Council for approval	All	New KPI	1	0	0	0	1	1	G	Youth development strategy approved on 22 June 2018 (Resolution 77/2018)	None required	

Summary of Results: To create a safe and healthy environment for all citizens and visitors to the Cape Agulhas Municipality		
	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	1
	KPI Met	2
	KPI Well Met	0
	KPI Extremely Well Met	0
Total KPIs		3

3.5 MUNICIPAL FUNCTIONS

The functions of municipalities are set out in Schedules 4B and 5B of the Constitution, and municipalities must perform these functions in a manner that enables them to achieve their Constitutional objectives. Section 84 of the Municipal Structures Act regulates the division of functions between district and local municipalities and the following table indicates the functions that Cape Agulhas Municipality is authorised to perform.

TABLE 84 MUNICIPAL FUNCTIONS

MUNICIPAL FUNCTION	MUNICIPAL FUNCTION (YES / NO)
Constitution Schedule 4, Part B functions	
Air pollution	Yes (currently run in conjunction with the Overberg District Municipality (ODM) due to capacity constraints. The ODM is also responsible for the licensing function)
Building regulations	Yes
Child care facilities	No
Electricity and reticulation	Yes
Firefighting services	No (run by ODM)
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes

MUNICIPAL FUNCTION	MUNICIPAL FUNCTION (YES / NO)
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes (burials done by the veterinarian)
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No (managed by the District Municipality)
Local amenities	Yes
Local sport facilities	Yes

Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

3.6 OVERVIEW OF PERFORMANCE PER WARD / TOWN

The Municipal Area was delimited into six wards for purposes of the 2016 municipal elections. The following sections provide a summary of basic service delivery per town, the most significant capital projects per ward as well as community needs identified per ward during the IDP process.

3.6.1 BASIC SERVICE DELIVERY PER TOWN

The Municipality currently does not keep records of households receiving basic services per ward. However, the table below gives an indication of the detail of basic service delivery per town:

TABLE 85 BASIC SERVICE PROVISION PER TOWN

SERVICE LEVEL	TOWN	WATER	SANITATION	ELECTRICITY	REFUSE
Formal Households with minimum service delivery	Bredasdorp	3710	3694	4573	4012
	Napier	1116	1128	1393	1086
	Struisbaai	2490	2689	1937	2407
	L'Agulhas	663	643	690	650
	Waenhuiskrans	608	607	261	588
	Protem	21	21	0	23
	Klipdale	20	20	0	21
	Suiderstrand	144	127	137	127
All informal areas in CAM	Total	698	698	698	698
	Households				
Households without minimum service delivery		0	0	0	0
TOTAL HOUSEHOLDS		9470	9627	9689	9612

3.6.2 BASIC SERVICE PRIORITIES AND DELIVERY PER WARD

3.6.2.1 WARD 1

Ward 1 comprises Napier, Elim, Spanjaardskloof, Houtkloof and surrounding farms

TABLE 86 CAPITAL PROJECTS OF WARD 1

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Re-gravel of Tamatiekraal roads	Feb 2018	June 2018	R207 683.84
Soccer field (Assessment)	October 2017	April 2018	R118 067.04

Electrification of informal dwellings	July 2017	June 2018	R40 000.00
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TABLE 87 TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD 1

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2017/18
1	Safety and security – CCTV cameras	Investigation and feasibility study was done. Incorporated as part of SMART City Strategy. In process with investigation (Proof of concept) to determine if it is financially viable or not.
2	Road in informal settlement to give SAPS complete access to the area - Napier	Department of Roads/Storm water investigated and there is a shack blocking the road.
3	Upgrading of sewer system	No progress to date, this project is not a priority at this stage
4	Job creation	Ongoing

3.6.2.2 WARD 2

Ward 2 comprises part of Bredasdorp and Klipdale.

TABLE 88 CAPITAL PROJECTS OF WARD 2

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Upgrading of sidewalks – Lang street	Feb 2018	June 2018	R191 889.00
AREA F Electrification (142 plots)	June 2018	June 2018	R2 000 000.00

TABLE 89 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 2

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2017/18
1	Housing – Bredasdorp	Area F in Bredasdorp is being serviced with bulk infrastructure in order to construct 490 housing units
2	Housing – Klipdale	Province will not fund housing in Klipdale but 10% of Klipdale' s waiting will be allocated houses in Napier or Bredasdorp.
3	Upgrading of all sidewalks, specifically Lang street and upgrading of Brand street	Sidewalks in Lang street completed
4	Speed bumps (Skool, Rivier, Ou Meule, Golf, Brand, Park and Lang streets)	Three speed bumps constructed per ward annually.

3.6.2.3 WARD 3

Ward 3 comprises part of Bredasdorp, which include the low cost housing scheme (Kleinbegin), Zwelitsha and Simunye.

TABLE 90 CAPITAL PROJECTS OF WARD 3

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Electrification of informal dwellings	July 2017	June 2018	R60 000.00
Kerbs and Sidewalks Ou Meule	February 2018	June 2018	R200 000.00

TABLE 91 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 3

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2017/18
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1	More municipal pre-paid electricity selling points	Syntell operates the payment points on behalf of Council. Persons, who are interested in running a payment point, can contact Syntell and they will determine whether payment points are necessary/required in that specific area.
2	Fire hydrants	Engineering norm – within every 50-minute radius – will investigated and phased in where necessary and discussed with fire service.
3	Solar geysers	2000 Solar Water geysers obtained from DOE for implementation during 2018/19 financial year.
4	Home for people with disabilities	Land can be made available. Social Development provides subsidies to organisations who wish to start such a facility.

3.6.2.4 WARD 4

Ward 4 comprises part of Bredasdorp including the Central Business District, Protem and surrounding farms.

TABLE 92 CAPITAL PROJECTS OF WARD 4

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Sub 11 to Sub 10 upgrade including Sub 11 feeder and borehole lines	July 2017	June 2018	R795 000.00
Upgrading of Sport Academy facilities – Glaskasteel	July 2017	June 2018	R344 799.79
Replacement of pipeline in Viljoen street	July 2017	June 2018	R528 800.00

TABLE 93 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 4

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2017/18
1	Upgrading of old water and sewer systems (Viljoen, Du Toit, Kloof and Dorpsig streets)	The water main in Viljoen street has been replaced.
2	Upgrading of sidewalks at Suideroord	CAM will upgrade the sidewalks in conjunction with Suideroord.
3	Tarring of roads – Protem	Budgeted for 2018/19
4	Replace the fence at Ons Huis for safety	No provision on budget.

3.6.2.5 WARD 5

Ward 5 comprises Suiderstrand, L'Agulhas, Struisbaai and Haasvlakte

TABLE 94 CAPITAL PROJECTS OF WARD 5

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Street lights new	July 2017	June 2018	40 000.00
Upgrading of tide pool	April 2018	June 2018	450 005.10
Upgrading of Industrial street, Struisbaai	July 2017	June 2018	893 313.06

TABLE 95 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 5

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2017/18
1	Upgrade water network (improve quality and increase capacity)	Constructed pipeline Agulhas to Struisbaai and another one from Struisbaai reservoir to Struisbaai North and Langezandt – pipelines have been completed.
2	Additional public toilets (Suiderstrand, CBD, Struisbaai North)	No provision in budget
3	Storm water drainage – Struisbaai north	No provision in budget
4	Street lighting – Struisbaai North	Street lighting fitted in First Avenue to the Caravan Park. 50 additional HPS 70W fittings have also been fitted during the last financial year. This is an Eskom supply area and CAM only have permission for streetlight maintenance but additional lights will be fitted when the LED roll out commences, so freeing up additional HPS lights.

3.6.2.6 WARD 6

Ward 6 comprises Arniston and surrounding farms, Overberg test range, and part of Bredasdorp (Selfbou and Bergsig)

TABLE 96 CAPITAL PROJECTS OF WARD 6

PROJECT NAME AND DETAIL	START DATE	END DATE	TOTAL VALUE (R)
Safeguarding of Reception area – Arniston	Nov 2017	Nov 2017	R95 512.28
Kerbs and Sidewalks Ou Meule	February 2018	June 2018	R200 000.00

TABLE 97 FOUR SERVICE DELIVERY PRIORITIES FOR WARD 6

NO	PRIORITY NAME AND DETAIL	PROGRESS DURING 2017/18
1	Solar geysers	2000 Solar Water geysers obtained from DOE for implementation during 2018/19 financial year.
2	Upgrading of Sport field – Arniston	12 LED floodlights will be fitted as part of the upgrading.
3	Development of fishing trade (Abalone and Fish Farms) – Arniston	Ongoing
4	New primary school for Xhosa and Afrikaans languages (Bell street)	Area in Bell street was identified to build a school. Liaison with Department of Education in process.

3.7 COMPONENT A: BASIC SERVICES

Basic services are a package of services necessary for human well-being and typically include water, sanitation, electricity and refuse removal. An overview will also be provided of human settlement (housing) which differs from the aforementioned services in that it is a concurrent National and Provincial competence. It is included as there is a direct correlation between the provision of basic services and housing.

3.7.1 WATER

a) Introduction to water

The Municipality's primary water sources are ground water from various boreholes in the area, as well as the Uitvlucht Spring, Sanddrift Dam and Vleikloof Dam, which supply Bredasdorp. Additional water sources need to be investigated in the near future, especially if the Municipality wants to encourage development. The Western Cape was severely affected by drought during the 2017/18 financial year. Although Cape Agulhas was less affected by the drought than some neighbouring Municipalities, low rainfall and declining dam levels had an impact. The table below provides a comparison between dam levels as at 30 June 2018 compared to 30 June 2017.

TABLE 98 DAM LEVELS AS AT 30 JUNE

2017		2018	
SANDDRIF	VLEIKLOOF	SANDDRIF	VLEIKLOOF
29%	76%	18%	58%

It became necessary to impose water restrictions during the 2017/18 financial year. Households were restricted to a consumption volume of 20 kl per month and businesses 50 kl.

- **Service delivery highlights for 2017/18**
 - Two boreholes in Bredasdorp were rehabilitated to mitigate the impact of the drought.
- **Service delivery challenges for 2017/18**
 - The peak water demand during the summer holiday season in coastal town's remains a challenge, but a pipeline between L'Agulhas and Struisbaai has been constructed to supply additional water to Struisbaai in peak demand periods.
 - The Water Services Development Plan of the Municipality is outdated, but a consultant was appointed during June 2018 to review it during 2019.

b) Service statistics

▪ Unaccounted for water (Losses)

Non-revenue or unaccounted for water is declining steadily and reduced from 19.02% in 2015/16 to 17.48% in 2016/17 to 13.8% in 2017/18. The Municipality's multi-year water meter replacement programme, which entails the replacement of 1000 water meters, has contributed significantly to this decline.

TABLE 99 UNACCOUNTED FOR WATER

YEAR	PURIFIED (KL)	LOSSES (KL)	%	RAND VALUE
2016/17	2 586 927	452 288	17.48	922 668.00

2017/18	2 741 319	379 571	13.8%	766 733
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▪ **Household access to water**

All households in the Municipal Area have access to minimum water standards. Access to minimum water standards is defined as access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute. Access to piped water is defined as 6,000 litres of potable water supplied per formal connection per month. National policy also requires that poor households should receive 6 kl of free basic water per month.

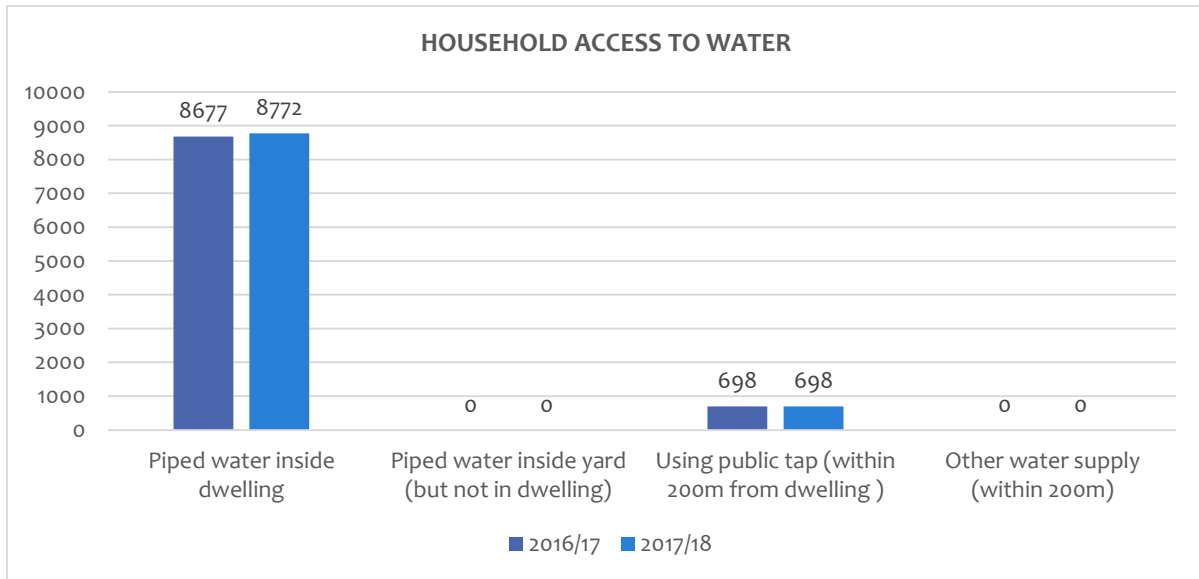
TABLE 100 ACCESS TO WATER

FINANCIAL YEAR	PROPORTION OF HOUSEHOLDS WITH ACCESS TO WATER POINTS*	PROPORTION OF HOUSEHOLDS WITH ACCESS TO PIPED WATER	PROPORTION OF HOUSEHOLDS RECEIVING 6 KL FREE
2016/17	8%	92%	100%
2017/18	7%	93%	100%

TABLE 8 WATER SERVICE DELIVERY LEVELS: HOUSEHOLDS

DESCRIPTION	HOUSEHOLDS	
	2016/17	2017/18
	ACTUAL NO	ACTUAL NO
Water: (above min level)		
Piped water inside dwelling	8677	8772
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	698	698
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	9375	9470
Minimum Service Level and Above Percentage	100%	100%
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households*	9375	9470
*Includes informal settlements		

FIGURE 6 WATER SERVICE DELIVERY LEVELS



c) Human resources

TABLE 101 EMPLOYEES WATER SERVICES

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	22	20	16	4	20.00%
04 - 08	14	15	15	0	0.00%
09 - 13	7	8	7	1	12.50%
14 - 18	1	1	1	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	44	44	39	5	11.36%

d) Financial performance: Capital expenditure

TABLE 102 CAPITAL EXPENDITURE: WATER SERVICES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Secure boreholes (CAM area)	200 000	110 110	110 110.00	-45%	0%
Lime Dosing pump	50 000	60 000	59 605.65	19%	-1%
Chlorine Scale	50 000	29 870	26 197.00	-48%	-12%
Struisbaai Chlorine Dos. System	100 000	100 000	81 512.00	-18%	-18%
Liquid Aluminium Dos. System Bredasdorp WTW	200 000	300 000	287 883.00	44%	-4%
Office and Toilets @ Napier Treatment Plant	95 000	95 000	64 125.91	-32%	-32%

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Instruments: PH meters, conductivity meter	50 000	29 540	25 910.00	-48%	-12%
2x Pipe cutters	60 000	20 570	20 570.00	-66%	0%
3x Generators	30 000	19 810	17 370.00	-42%	-12%
3x Water pumps	30 000	30 000	22 812.75	-24%	-24%
Pipe Inspection Camera	100 000	100 000	93 100.00	-7%	-7%
Metal Detectors	50 000	50 000	32 200.00	-36%	-36%
3x Plate compactors	30 000	30 000	23 985.00	-20%	-20%
Replacement of Viljoen Street Water Main Bredasdorp	800 000	800 000	528 800.00	-34%	-34%
Replacement LDV CS15643	250 000	190 240	186 652.84	-25%	-2%
Upgrade Boreholes - Bredasdorp	600 000	200 000	127 939.00	-79%	-36%
Water mains - GAP Housing		473 692	711 954.14	-	50%
Boreholes - Bredasdorp (DWA Funded)		582 410		-	-100%
Water Treatment Tools	10 000	9 510	7 946.04	-21%	-16%
Upgrading of Fence	100 000	-	-	-100%	-
Replace pipework and valves L'Agulhas Reservoirs	300 000	300 000	300 000.00	0%	0%
TOTAL	3 105 000.00	3 530 752.00	2 728 673.33	-12%	-23%

The positive variances on the water and sanitation projects are all savings. We received funding from the Province for the rehabilitation of the boreholes in Bredasdorp and did not have to use own funds.

3.7.2 SANITATION (WASTE WATER)

a) Introduction to sanitation

Bredasdorp has a full waterborne sewerage system in place. The lower income areas in Napier, Arniston and Struisbaai also have a full waterborne sewerage system, but the higher income areas are serviced with septic tanks. A sewer tanker is available for the rural areas. Various Waste Water Treatment Works (WWTW) are operational throughout the Municipal Area.

▪ Service delivery highlights for 2017/18

- The design for the upgrading of the Bredasdorp WWTW has commenced.

- **Service delivery challenges for 2017/18**
 - The quality of the effluent from the Bredasdorp WWTW is below standard, but will improve with the envisaged upgrading.

b) Service statistics

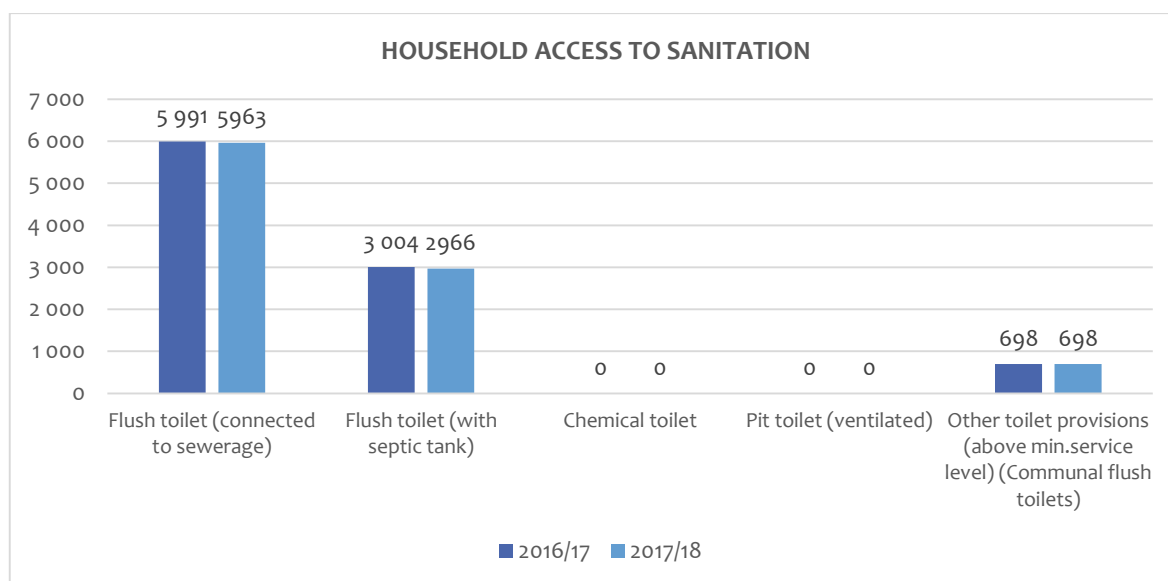
- **Household access to sanitation**

Access to minimum sanitation services is defined as a ventilated pit latrine (VIP). All urban households within the Municipality’s area of jurisdiction have access to minimum sanitation levels.

TABLE 103 SANITATION SERVICE DELIVERY LEVELS

DESCRIPTION	HOUSEHOLDS	
	2016/17	2017/18
	ACTUAL NO	ACTUAL NO
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	5 991	5963
Flush toilet (with septic tank)	3 004	2966
Chemical toilet	0	0
Pit toilet (ventilated)	0	0
Other toilet provisions (above min. service level) (Communal flush toilets)	698	698
Minimum Service Level and Above sub-total	9693	9627
Minimum Service Level and Above Percentage	100%	100%
Bucket toilet	0	0
Other toilet provisions (below min. service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households*	9693	9627
*Includes informal settlements		

FIGURE 7 SANITATION SERVICE DELIVERY LEVELS



c) **Human resources**

TABLE 104 EMPLOYEES SANITATION SERVICES

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	13	13	13	0	0.00%
04 - 08	6	6	6	0	0.00%
09 - 13	2	1	1	0	0.00%
14 - 18	0	0	0	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	21	20	20	0	0.00%

d) **Financial performance: Capital expenditure**

TABLE 105 CAPITAL EXPENDITURE: SANITATION SERVICES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Sewer Reticulation - GAP Housing	0	1 300 937	1 639 732.41	–	26%
Rehabilitate WWTW	877 193	877 193	877 192.68	0%	0%
TOTAL	877 193.00	2 178 130.00	2 516 925.09	187%	16%

3.7.3 ELECTRICITY

a) **Introduction to electricity**

▪ **Distribution areas**

There are two distributors of electricity within the Municipal Area, namely the Cape Agulhas Municipality and Eskom. The following table shows the distribution areas of each.

TABLE 106 ELECTRICITY DISTRIBUTION AREAS

CAPE AGULHAS	ESKOM
<ul style="list-style-type: none"> ○ Bredasdorp ○ Napier ○ Struisbaai ○ L'Agulhas ○ Waenhuiskrans ○ Suiderstrand 	<ul style="list-style-type: none"> ○ Klipdale ○ Protem ○ Struisbaai North ○ Kassiesbaai ○ Elim ○ Agricultural areas

▪ **Small Scale Embedded Generation (SSEG)**

Currently, the installation of SSEG projects is minimal within the Cape Agulhas Municipal supply area and has a negligible effect on electrical sales, but this trend will increase with the ever-increasing tariff increases granted to Eskom and will inevitably erode the Municipality’s income from electrical sales. The cost of solar panels, inverters and batteries is restrictive to average households, but the costs are decreasing rapidly as the demand rises and will reach a level where the SSEG will be more cost effective than purchasing electricity from the Municipality. What must be borne in mind is that the Municipality must still maintain infrastructure to cater for the maximum demand possible if all SSEG fails.

▪ **Service delivery highlights for 2017/18**

- The electrification of 140 plots as identified in phase one of Area “F”, ASLA must still complete the top structures
- Installation of numerous streetlights and floodlights in all wards.
- Maintenance of street lights in the Eskom supply areas in accordance with an agreement concluded with ESKOM
- Successful application for a grant to the value of R5 000 000 from Department of energy for LED street light retrofit project to be rolled out in 2018/19.
- Successful application for 2000 Solar Water Heaters for installation in various areas within the Municipal boundaries to be rolled out in 2018/19
- Council approved the Small Scale Embedded Generation Policy and contract
- Upgrade of infrastructure in the area surrounding the Vleikloof dam.

▪ **Service delivery challenges for 2017/18**

- Severe demand capacity restraints due to Eskom infrastructure
- The lack of statistics from the new financial system
- The new standard of Eskom performing shutdown maintenance on weekdays and the associated difficulties of getting all communities re connected to electricity after sustained outages, due to the massive demand on capacity during a cold start. Rotational demand shedding is unfortunately unavoidable when resuming service after long outages.
- Increasing incidents of copper theft

b) Service statistics

▪ **Unaccounted for electricity (Losses)**

The Municipality’s electricity losses decreased from 7.20% in 2015/16 to 6.50% in 2016/17 and are 6.93% for 2017/18. Our unaccounted electricity remains well below the norm.

TABLE 107 ELECTRICITY LOSSES

YEAR	UNITS PURCHASED (kWh)	LOSSES (kWh)	%	RAND VALUE (APPROXIMATE)
2016/17	74 511 070	4 840 087	6.50%	3 339 660.00
2017/18	77 015 632	5 336 516	6.93%	3 682 196.00

▪ **Household access to electricity**

Access to minimum electricity standards is defined as an electricity connection at the dwelling. National policy also requires that poor households should receive 50kWh of free basic electricity per month. All formal

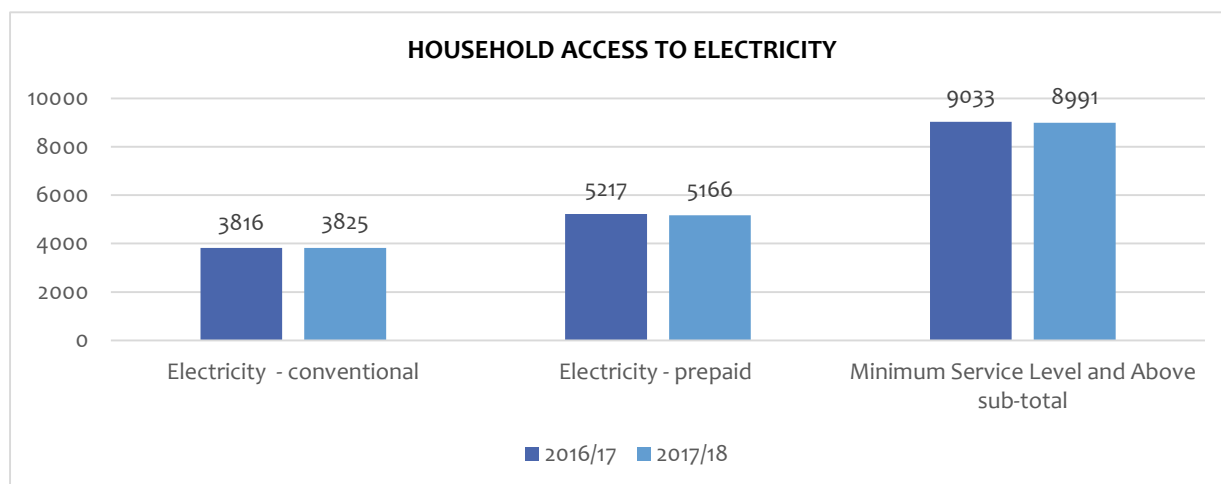
households as well as households in informal settlements have access to electricity in the Cape Agulhas area of supply.

TABLE 108 ELECTRICITY SERVICE DELIVERY LEVELS

DESCRIPTION	HOUSEHOLDS	
	2016/17	2017/18
	ACTUAL NO	ACTUAL NO
Energy: (above minimum level)		
Electricity - conventional	3816	3825
Electricity - prepaid	5217	5166
Minimum Service Level and Above sub-total	9033	8991
Minimum Service Level and Above Percentage	100%	100%
Electricity (< min. service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	9033	8991

The table above indicates the level and tariff spread for domestic electricity supply and excludes the commercial and industrial tariff classes.

FIGURE 8 ELECTRICITY SERVICE DELIVERY LEVELS



c) **Human resources**

TABLE 109 EMPLOYEES: ELECTRICITY SERVICES

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	6	5	4	1	20.00%
04 - 08	5	5	5	0	0.00%
09 - 13	9	10	10	0	0.00%
14 - 18	1	1	1	0	0.00%
18 - 20	0	0	0	0	0.00%

TOTAL	21	21	20	1	4.76%
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d) **Financial performance: Capital expenditure**

TABLE 110 CAPITAL EXPENDITURE: ELECTRICITY SERVICES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL	VARIANCE TO ADJUSTMENT
Mini-Subs / Network	0	1000000	993939.32	0%	-1%
Electrification - Informal Settlements	100000	100000	97902.44	-2%	-2%
Tools	50000	50000	48423.14	-3%	-3%
Cable locator	32000	28330	24850	-22%	-12%
Office Furniture	23000	22320	22312.33	-3%	0%
Air conditioners X2	32000	13920	13915	-57%	0%
Dora Project	1000000	1000000	983969.02	-2%	-2%
Change Transformers Mini subs	365000	364420	364411.22	0%	0%
Replace Med/Low Volt Overhead lines	795750	795750	718529.23	-10%	-10%
Street Lights - New	150000	150000	110540.03	-26%	-26%
TOTAL	2547750	3524740	3378791.73	33%	-4%

3.7.4 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

a) **Introduction to waste management**

▪ **Landfill sites and drop offs**

The Municipality has a licensed landfill site in Bredasdorp and three Drop-Off areas (Napier, Waenhuiskrans and Struisbaai). There is also a licensed landfill site in Elim, which is operated by the Elim "Opsieners Raad". The waste from the Drop-Off's is collected and transported to the Bredasdorp landfill site. Garden waste from Waenhuiskrans is transported to the Bredasdorp landfill.

The Bredasdorp Landfill is nearing its capacity and an investigation was commissioned on the possibility of a shared regional landfill site. The investigation suggested three options, namely:

- Regional Landfill between Bredasdorp and Swellendam
- Karwyderskraal regional landfill
- Either the Bredasdorp or Swellendam landfills to be shared

The data from the landfill and Drop-Off's is reported on the IPWIS system of the Department of Environmental Affairs. Internal and External audits were completed as stated in the permit conditions.

▪ **Refuse collection**

All households in the Municipal Area have access to a weekly refuse collection service. In the low-income areas, the bags are carried out to the nearest collection point. Each household receives 60 black bags per annum free of charge.

Street cleaning takes place on a continuous basis throughout the year and done as part of the Municipalities EPWP programme which creates jobs. EPWP projects include the cleaning up of illegal dumping

▪ **Recycling**

The Municipality has a recycling programme in place and the separation of waste takes place at source. A two bag system has been implemented for collecting of waste. Material that can be recycled is placed in clear bags and other waste in black bags. Businesses also take part in the recycling project and separate the waste for collection. This programme also creates jobs and extensive use is made of the Expanded Public Works Programme (EPWP). Awareness campaigns on recycling were held at business, shopping malls, schools and door to door campaigns. Coastal Clean-up operations were done with the Overberg District Municipality and recycling bins were distributed to various schools to promote the project.

▪ **Awareness**

EPWP projects aim to create awareness on recycling and illegal dumping. Illegal dumping is a major challenge for the municipality and door to door awareness by EPWP projects were part of an education programme.

▪ **Service delivery highlights for 2017/18**

- Illegal dumping sites within Bredasdorp have been converted into community gardens.
- The community identified a need for wheelie bins, and this was investigated as part of the regional landfill site investigation. As a result, the Council budgeted for the implementation of wheelie bins throughout the Municipal Area over the course of two financial years.

▪ **Service delivery challenges for 2017/18**

- Illegal dumping is an ongoing challenge
- Costs related to the establishment of a regional landfill site

b) Service statistics

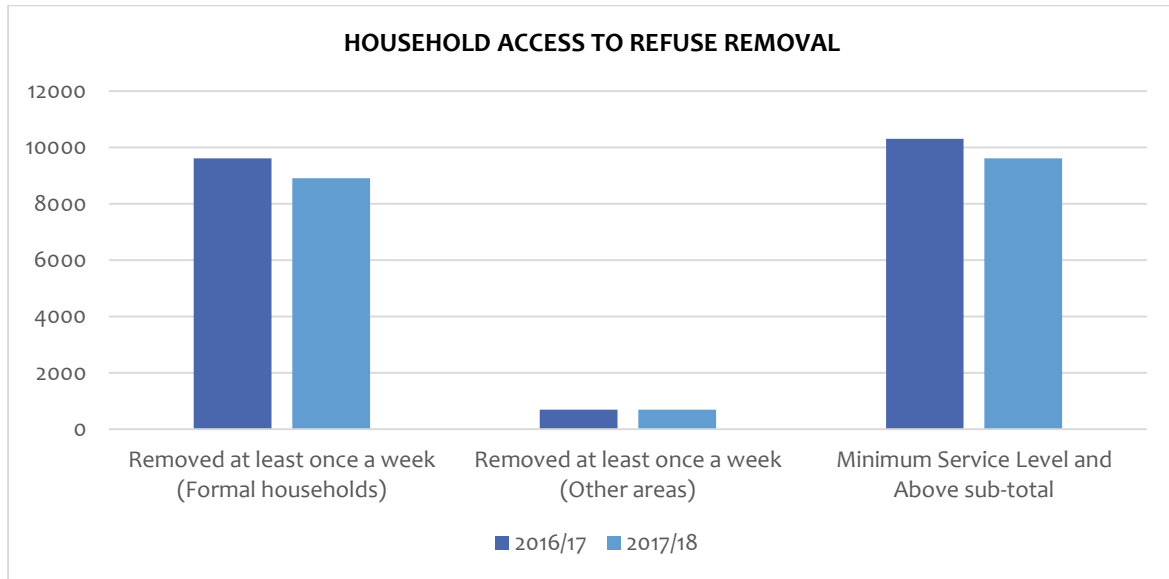
Basic level services for refuse removal are defined as free weekly refuse removal. All households in urban areas have access to a weekly refuse removal service.

TABLE 111 WASTE MANAGEMENT SERVICE DELIVERY LEVELS

DESCRIPTION	HOUSEHOLDS	
	2016/17	2017/18
	ACTUAL NO	ACTUAL NO
Solid waste removal (Minimum level)		
Removed at least once a week (Formal households)	9614	8914
Removed at least once a week (Other areas)	698	698
Minimum Service Level and Above sub-total	10312	9612
Minimum Service Level and Above percentage	100	100
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level percentage	0	0

Total number of households	10312	9612
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FIGURE 9 WASTE MANAGEMENT SERVICE DELIVERY LEVELS



c) Human resources

TABLE 112 EMPLOYEES: WASTE MANAGEMENT

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	23	23	17	6	26.09%
04 - 08	7	6	6	0	0.00%
09 - 13	5	1	1	0	0.00%
14 - 18	1	1	1	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	36	31	25	6	19.35%

d) Financial performance: Capital expenditure

TABLE 113 CAPITAL EXPENDITURE: WASTE MANAGEMENT SERVICES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	ORIGINAL BUDGET VARIANCE (%)	ADJUSTMENT BUDGET VARIANCE (%)
Rehabilitation Provision; Landfill Site		330 000	329 955.00	-	0%
Compactor Landfill Site	1 650 000	1 921 710	1 921 709.65	16%	0%
Upgrading of Drop-off loading areas - Landfill site	350 000	-	-	-100%	-
TOTAL	2 000 000.00	2 251 710.00	2 251 664.65	13%	0%

3.7.5 HOUSING

a) Introduction to housing

Housing is a concurrent National and Provincial competency in terms of Part A of Schedule 4, of the Constitution. Section 10 of the Housing Act, Act 107 of 1997, sets out the responsibilities of municipalities in

relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of cooperation between the Municipality and the Provincial and National Departments responsible for Housing.

Shelter is a basic need and housing will provide shelter, but this alone is not enough. Settlements are a key element of the urban environment and they should function as a singular workable system of integrated networks and interconnecting nodes. The Municipality supports this sentiment, and strives to ensure that liveable habitats are created to contribute to the improvement of the living conditions of the poor.

The Municipality is on track with its housing roll out programme. In line with the Strategic Objective of the Western Cape Department of Human Settlements to eradicate informal settlements, all our housing projects are also planned to decrease the number of informal settlements as well as improve the living conditions and level of basic services in informal settlements while also addressing the housing backlog in general.

The Government's primary objective is to undertake housing development, which Section 1 of the Housing Act, No. 107 defines as being: *"the establishment and maintenance of habitable, stable and sustainable public and private residential environments. This is to ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, educational and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to housing. This includes permanent residential structures with secure tenure, ensuring internal and external privacy, and providing adequate protection against the elements, potable water, adequate sanitary facilities and domestic energy supply."*

The existing National Human Settlements Programme is based on this objective and the principles embodied therein. Municipalities are required to take a leading role in identifying land for the location of housing supply, to facilitate spatial planning and transportation systems and the integration of housing into municipal IDP's.

The housing development process entails the following:

- Initiating, planning, facilitating and co-ordinating appropriate housing development.
- Promoting private sector development and playing the role of developer.
- Preparing a housing delivery strategy and setting up housing development goals.
- Identifying and allocating land for housing development.
- Creating a financially and socially viable environment for housing delivery.
- Facilitating the resolution of conflicts arising from housing delivery initiatives.
- Facilitating the provision of bulk services.
- Administering national housing programmes.

b) Cape Agulhas Municipality Human Settlement Plan

The Municipality has adopted a Human Settlement Plan, which focuses on the implementation of the housing programme in accordance with the IDP of Council. This plan is used to facilitate and assist the Municipality to fulfil the role assigned to it in terms of the National Housing Code. The Housing Plan addresses the following:

- Inclusion of housing planning as part of the integrated development planning process.
- Sustainable settlement development and asset creation. This will need a shift in policy from providing shelter to developing sustainable human settlements for our communities.

- A shift towards development that is demand-defined (by households according to their needs, and through local government processes such as the IDP). This will then ensure that people living in situations of poverty are better able to build social and physical assets, thus enhancing housing as an economic instrument once transferred.
- The institutional architecture of housing will have to be restructured through coordinated and integrated planning, funding and capacity building efforts at different spheres and sectors of government.
- Lastly the housing policy instruments and their implementation agencies need to be aligned to ensure better flow of funds and more effective achievement of desired outcomes. Housing planning as part of the IDP will form the basis for multi-year provincial housing plans, thereby improving planning.
- This strategic plan focuses on the implementation of the housing programme in accordance with the IDP and to adjust the housing strategy and targets in line with new policy directives.

When developing the Human Settlement Plan the extensive migration of people into the Cape Agulhas Municipal Area was taken into account. South Africa as a country has long been affected by patterns of migration, which has now developed into an established pattern. In the recent years there has been a progressive intensification of mobility in the Western Cape Province. The underlying determinants of this trend include increased and new economic opportunities, quality of education and better health care service in the province. The implications of migration into our Municipality for housing are as follows:

- There is a substantial increase in population in the informal areas.
- A considerable number of people in the informal settlements are not South African citizens which is one of the qualifying criteria for a housing subsidy.
- The majority of people travel by foot to school and work. This has an implication for delivery of future housing, which should be located in close proximity to existing work opportunities and education facilities.

The following progress was made in the 2017/18 financial year:

- Planning is underway for a new mixed housing project in Bredasdorp and Struisbaai for possible implementation in 2019. These projects will also address the issue of informal settlements like the relocation of Oukamp in Struisbaai. The Municipality is also targeting the affordable market beneficiaries. The planning processes are very lengthy due to public participation processes and outcomes such as objections from adjacent communities where projects are planned for implementation.

Projects in Implementation stages:

- Commencement of the installation of services for 683 sites in Site F Bredasdorp which will be a fully-fledged mixed development with affordable houses, low costs houses, serviced plots for informal settlements relocation and institutional sites. Completion date for the installation of services is February 2019
- Installation of Bulk Services, Area H, total yield 158 and 29 GAP Erven, completed September 2017. Top Structures will be constructed during the 2018/19 financial year.
- IRDP in Struisbaai of 441 houses^[1] (Final Basic Assessment Report has been submitted to Department of Environmental Affairs and Planning)

- Finance Linked Individual Subsidy Programme Projects (GAP) for 365 units in Bredasdorp, 16 units in Arniston and 33 units in Struisbaai for Middle Income earners, currently busy with consumer education as the project is ready for implementation
- Completed installation of services in the IRDP in Bredasdorp which will comprise affordable housing and Low cost houses, the total number of houses is 158
- Building of 109 top structures in Bredasdorp with an estimated commencement date in October 2018
- Completed the Rapid Appraisal of all informal settlements and prioritisation of the informal settlements
- Transferred 26 title deeds on the Title Deeds Restoration Programme for old housing stock
- Commenced with planning for Napier 150 houses IRDP

Funding has been approved for all of the above projects.

The biggest priority for Cape Agulhas Municipality is to reduce the number of households in the various informal settlements, and create better living conditions for back yard dwellers. Council also has a plan to start addressing the housing needs for the affordable market and to make available serviced plots for beneficiaries earning R3501-R7000.

The Human Settlement Plan of Cape Agulhas Municipality illustrates this intention quite clearly. A major focus is now being placed on those who do not qualify for houses and are in the “GAP” market.

c) Title deed restoration programme

The Municipality is participating in the Title Deed Restoration Programme. 55 Title Deeds were restored from old Housing Schemes and 151 Title Deeds was received from the Transferring Attorneys for the Struisbaai Housing Project in the financial year under review.

b) Service statistics

The following table indicates the number of households with access to basic housing:

TABLE 114 PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

TOTAL HOUSEHOLDS (INCLUDING IN FORMAL AND INFORMAL SETTLEMENTS)	HOUSEHOLDS IN FORMAL SETTLEMENTS	PERCENTAGE OF HHS IN FORMAL SETTLEMENTS	HOUSEHOLDS IN INFORMAL SETTLEMENTS
10 161	9 862	7.07%	698

Source: Statistics SA – Census 2011 / Informal settlement register

There are currently 3685 applicants or potential beneficiaries on the waiting list for Cape Agulhas Municipality. This is an increase from the previous year when the number of people on the waiting list was 3505.

TABLE 115 HOUSING WAITING LIST

FINANCIAL YEAR	HOUSING APPLICANTS	% HOUSING WAITING LIST (INCREASE/DECREASE)
2015/16	3 505	2.76
2016/17	3 594	2.53

2017/18	3685	2.57
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TABLE 116 HOUSES BUILT / STANDS SERVICED IN 2017/18

FINANCIAL YEAR	ALLOCATION R'000	AMOUNT SPENT R'000	% SPENT	NUMBER OF HOUSES BUILT	NUMBER OF SITES SERVICED
2015/16	6 668	6 668	100	0	0
2016/17	119 53	11 953	100	0	158
2017/18	29 764	29764	100	0	683

c) Human resources

TABLE 117 EMPLOYEES: HOUSING SERVICES

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0	0.00%
04 - 08	2	2	2	0	0.00%
09 - 13	1	2	2	0	0.00%
14 - 18	1	1	1	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	4	5	5	0	0.00%

d) Financial performance

A grant to the amount of R 29 764 335 was allocated by the Western Cape Provincial Government for the planning and services during the financial year under review. The amount of R29 764 355 was spent No houses were built, but the following was completed:

- Planning for Site G 351 houses in Bredasdorp
- Planning for site F 683 houses in Bredasdorp
- Additional funding Arniston top structures
- Planning for Site A 443 houses Struisbaai
- Installation of 158 services in Site H Bredasdorp

3.7.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

a) Introduction to free basic service delivery

The National Framework defines indigent as “lacking the necessities of life”. Cape Agulhas Municipality is responsible for indigents with respect to the following services:

- Water supply;
- Sanitation;
- Refuse;
- Basic energy.

For each of these services there is a range of service levels, which can be provided with the following categories typically being applied:

- Basic service level which is required in order to maintain basic health and safety;

- Intermediate service level;
- Full service, the highest level of service that is traditionally applied in South African municipalities.

Cape Agulhas Municipality supports the indigents with the following services:

- 6kl free water;
- 50kWh free electricity;
- Rebate 40% or 80% for water depending on household income;
- Rebate 40% or 80% for refuse removal depending on household income;
- Rebate 40% or 80% for sanitation depending on household income;

In accordance with the approved Indigent Policy of the Municipality, all households earning less than R4 750.00 per month will receive the free basic services as prescribed by National Policy.

b) Service statistics

The table below indicates the total number of indigent households and other households that received free basic services in the past two financial years:

TABLE 118 FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS

YEAR	TOTAL HH'S	HOUSEHOLDS EARNING LESS THAN R2 860 PER MONTH							
		FREE BASIC WATER		FREE BASIC SANITATION		FREE BASIC ELECTRICITY		FREE BASIC REFUSE	
		ACCESS	%	ACCESS	%	ACCESS	%	ACCESS	%
2016/17	8 995	2558*	28.43	2558*	28.43	2558*	28.43	2558*	28.43
2017/18	9 515	3 021	31.74	3 021	31.74	3 021	31.74	3 021	31.74

(* Figure excludes and Elim)

The table above excludes 124 indigents from Elim who were subsidised to the amount of R300 000 for the financial year. Elim provides their own services but since they reside in the Cape Agulhas Municipal Area, the Council decided that all the residents must be treated equitably.

TABLE 119 COST TO THE MUNICIPALITY OF FREE BASIC SERVICES DELIVERED

SERVICES DELIVERED	2016/17	2017/18			
	ACTUAL	BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
Water	2 755000	2332000	0	3001041	(669041)
Waste Water (Sanitation)	2 449000	3074000	0	2403106	670894
Electricity	479000	381200	47765	513597	(84632)
Waste Management (Solid Waste)	3 607000	3712000	0	3979206	(267206)
TOTAL	9 290 000	9 499 200	47 765	9 896 950	(349985)

3.8 COMPONENT B: ROAD TRANSPORT AND STORMWATER

This component includes: roads and wastewater (storm water drainage). The Roads and Stormwater Department is tasked with the construction and maintenance of all roads and storm water assets within the Cape Agulhas Municipal Area. Master plans for roads and storm water for the whole area were put in place to assist in planning and budgeting. These master plans are upgraded every 4 years.

3.8.1 ROADS

a) Introduction to roads

The strategy of the Roads and Storm Water Department is to build a minimum of 1.5 km new roads annually in the Municipal Area. These projects aim to address the backlog and alleviate poverty through labour intensive construction methods, which enable us to employ local unemployed people through EPWP.

In Bredasdorp, new engineering technology was used for the upgrading of gravel roads to labour based asphalt roads. This technology was a pilot project for labour based asphalt. This resulted in additional MIG funds being allocated to the Municipality and the International Labour Organisation were so impressed that they compiled a documentary on the Bredasdorp Roads Project as well as the Napier Project. This documentary is available on request.

▪ **Service delivery highlights for 2017/18**

- A storm water canal was constructed in Bredasdorp area F using gabions. This was a labour intensive method that facilitated job creation as well as skills development. The project also enabled the Municipality to complete the servicing of the erven in order that a much needed housing project can be developed in 2018/19

▪ **Service delivery challenges for 2017/18**

- Creating opportunities to create jobs through labour intensive projects. More projects can be done using labour intensive methods.

b) Service statistics

TABLE 120 GRAVEL ROAD INFRASTRUCTURE

YEAR	TOTAL GRAVEL ROADS KM	NEW GRAVEL ROADS CONSTRUCTED KM	GRAVEL ROADS UPGRADED TO TAR KM	GRAVEL ROADS GRADED/MAINTAINED KM
2016/17	30.33	0	3.37	26.96
2017/18	26.96	0	1.9	25.06

TABLE 121 TARRERD ROAD INFRASTRUCTURE

YEAR	TOTAL TARRERD ROADS KM	NEW TAR ROADS KM	EXISTING TAR ROADS RE-TARRERD KM	EXISTING TAR ROADS RE-SHEETED KM	TAR ROADS MAINTAINED KM
2016/17	181.67	4.45	0	6.94	181.67
2017/18	181.67	5.7	1.9	0	189.27

TABLE 122 COST OF CONSTRUCTION/MAINTENANCE

YEAR	GRAVEL			TAR		
	NEW (R' 000)	GRAVEL – TAR (R' 000)	MAINTAINED (R' 000)	NEW (R' 000)	RE-WORKED (R' 000)	MAINTAINED (R' 000)
2016/17	3 550	2 200	650	4 750	1 010	1 200
2017/18	43250	2800	710	5500	1650	1300

c) Human resources

TABLE 123 EMPLOYEES: ROADS AND STORMWATER

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	17	17	16	1	5.88%
04 - 08	17	14	13	1	7.14%
09 - 13	8	10	10	0	0.00%
14 - 18	1	1	1	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	43	42	40	2	4.76%

e) Financial performance: Capital expenditure

TABLE 124 CAPITAL EXPENDITURE ROADS

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Roads - GAP Housing		3 360 064	4 452 660.52	-	33%
Bench Angle Grinders & Nexus Extension Reel		9 660	9 660.00	-	0%
SIDEWALKS SBAAI/LA	500 000	500 000	63 147.90	-87%	-87%
Speed Bumps CAM (3 per ward)	200 000	200 000	172 027.70	-14%	-14%
Kerbs Ou Meule street (B/Dorp)	200 000	200 000	200 000.00	0%	0%
3 x Plate Compactors	45 000	38 000	37 253.39	-17%	-2%

2 x Jackhammers Heavy Duty	45 000	23 940	20 817.39	-54%	-13%
Furniture (Manager Supervisor)	25 000	16 050	16 045.00	-36%	0%
Upgrade Suiderstrand Road	1 000 000	850 000	632 346.60	-37%	-26%
Sidewalks Long Street (B/Dorp)	400 000	390 340	205 672.99	-49%	-47%
Sidewalks Bredasdorp (Wards)	400 000	400 000	191 889.00	-52%	-52%
Industrial Road Struisbaai	750 000	900 000	893 313.06	19%	-1%
Re-gravel Tamatiekraal Street - Napier	200 000	200 000	207 683.84	4%	4%
Nuwerus Streets	1 246 796	1 246 796	1 152 996.73	-8%	-8%
Ou Meule Link to Swellendam Road (B/dorp)	1 315 789	1 315 789	1 315 789.00	0%	0%
TOTAL	6 327 585.00	9 650 639.00	9 571 303.12	51%	-1%

3.8.2 WASTE WATER (STORMWATER DRAINAGE)

a) Introduction to storm water

Storm water upgrading and maintenance are essential for any municipality because an “Act of God” (flash flood) can happen at any given time. Municipalities therefore have to ensure that the management of run-off of storm water is effective.

Storm water drainage is still a major challenge due to the existing backlog and inadequate storm water systems. A master plan was drawn up to identify and prioritize the needs for capital budget purposes and focus areas.

All new roads are constructed with storm water drainage and the Municipality aims to construct a minimum of 500m of storm water pipes annually to address the backlog. This is achievable with an adequate budget allowance and support from Council.

In the 2017/18 financial year, several storm water projects were undertaken to address backlogs, as well as alleviate poverty by job creation through utilisation of labour constructive methods as part of the EPWP. In Bredasdorp we have constructed a storm water canal using gabions as a labour-base method and the project was funded by MIG.

- **Service delivery highlights for 2017/18**
 - Stormwater canal for the 1:100 year flood line
- **Service delivery challenges for 2017/18**

- Insufficient financial resources

b) Service statistics

The table below shows the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed:

TABLE 125 STORMWATER INFRASTRUCTURE

YEAR KM	TOTAL STORM WATER MEASURES KM	NEW STORM WATER MEASURES KM	STORM WATER MEASURES UPGRADED KM	STORM WATER MEASURES MAINTAINED KM
2016/17	77.8	1.5	0.9	79.3
2017/18	79.3	2.59	0.4	81.89

TABLE 126 STORM WATER INFRASTRUCTURE COST

YEAR	STORM WATER MEASURES		
	NEW (R'000)	UPGRADED (R'000)	MAINTAINED (R'000)
2016/17	1 560	820	710
2017/18	1900	970	800

c) Human resources

A single team is used for both the roads and storm water functions.

d) Financial performance: Capital expenditure

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Storm Water Master plan - Struisbaai	200 000	200 000	56 651.65	-72%	-72%
Stormwater Master plan - Bredasdorp	100 000	100 000	76 750.00	-23%	-23%
Stormwater Master plan- Agulhas	200 000	200 000	87 087.91	-56%	-56%
Stormwater pipeline - Area F	5 184 185	5 798 221	5 798 221.00	12%	0%
TOTAL	5 684 185.00	6 298 221.00	6 018 710.56	6%	-4%

3.9 COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT

This component includes integrated development planning, spatial planning, building control and local economic development.

3.9.1 INTEGRATED DEVELOPMENT PLANNING

a) Introduction to Integrated development planning

Integrated development planning is a process through which municipalities prepare their strategic plan, which is known as an Integrated Development Plan (IDP), which covers a five-year period. The IDP is the principal strategic planning instrument, which guides and informs all planning, budgeting, management and decision-making processes in a municipality.

▪ New five-year Integrated Development Plan 2017/18 – 2012/22

Section 25 of the Municipal Systems Act requires that “each Municipal Council to adopt a single, inclusive and strategic plan for the development of the Municipality within a prescribed period after the start of its elected term”.

Section 28 requires that “each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan”.

IDP’s for the term of office of municipal councils that commenced in 2016 are referred to as a 4th generation IDP because it is the 4th IDP done by municipalities since promulgation of the Municipal Systems Act in 2000. The essence of the 3rd generation IDP that also applies to the 4th generation IDP is that it is a: “Single window of co-ordination” for:

- Internal relationships within municipalities;
- Relationships between local and district municipalities, neighbouring municipalities and other spheres of government;
- Relationships between local municipalities, other key stakeholders and the broader community.

The IDP was developed in accordance with a Process Plan and Time Schedule of Key Deadlines was approved by the new Council on 30 August 2016 (Resolution 176/2016), and the new five year IDP (2017/18 – 2012/22) was approved on 31 May 2016 (Resolution 105/2016).

In order to give effect to this, the IDP identifies and prioritises Municipal and Community needs and integrates them into a singular local level plan, which indicates how resources will be allocated to addressing these needs over the five-year cycle of the IDP. The IDP also identifies critical development needs which fall within the functional mandate of the Overberg District Municipality, and other spheres of Government and indicates how these needs will be addressed in the short, medium and long term and how they align to municipal planning.

While the idea behind integrated development plans is to build up a comprehensive integrated plan, municipalities cannot plan everything in detail in the first year. Rather, Integrated Development Plans should empower municipalities to prioritise and strategically focus their activities and resources. An attempt to plan

too comprehensively may result in unrealistic plans that lack the human and financial resources for implementation.

- **IDP Assessment**

In terms of the provisions of the Local Government: Municipal Systems Act, 2000 municipality should submit a copy of the Council approved IDP to the MEC for Local Government in the province. The MEC is tasked by legislation to assess the IDP and give comment on its alignment to government programme. The MEC comments have largely provided guidance on the preparation of the IDP.

- **First Review of the Integrated Development Plan**

The first review of the 2017/18 - 2021/22 IDP took place during the financial year under review.

The IDP is reviewed annually in accordance with an assessment of its performance measurements and to the extent, that changing circumstances demand. The review process serves as an institutional learning process whereby stakeholders can meet to discuss the performance of the past year. The review is not a replacement of the 5-year IDP, nor is it meant to interfere with the long-term strategic direction of the Municipality to accommodate new whims and additional demands.

As prescribed by Section 34 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) the following is legislated:

34. Annual review and amendment of integrated development plan.

“A municipal council –

(a) must review its integrated development plan –

(i) annually in accordance with an assessment of its performance measurements in terms of section 41; and

(ii) to the extent that changing circumstances so demand; and

(b) may amend its integrated development plan in accordance with a prescribed process.”

The municipality developed an IDP & Budget Time Schedule, which serves as a “plan to plan” for the first review of the 5 year IDP of Cape Agulhas Municipality. It was adopted by Council on 28 August 2017 with resolution number 147/2017 and contains clear deliverables and specific timeframes. The purpose of the time schedule is to indicate and manage the planned activities and strategies that the municipality will follow to review the IDP.

It also co-ordinates the planning cycle between other strategic processes within the municipality such as the budget, SDBIP and the Annual Report of the municipality. Furthermore, this time schedule facilitates improved co-ordination with the planning cycles of other spheres of government. It also identifies key role players such as the local communities, ward committees and other key municipal stakeholders that must be involved in the review of the IDP through an extensive public participation process. This enhances the credibility of the review process and enables the municipality to undertake development plans and render services that are more responsive to the needs and conditions of local communities.

3.9.2 SPATIAL PLANNING

a) Introduction to spatial planning

Spatial planning is the responsibility of the Town and Regional Planning section, which is mandated to manage the spatial planning of various land uses such as industrial, institutional, residential and business. The section has three main sub-sections namely: Town Planning, GIS and Environmental Management.

The Town Planning Section oversees:

- Town Planning services i.e. provision of zoning information and processing of various land use applications i.e. rezoning applications.
- Development Enforcement: Enforcement of town planning scheme rules – prosecution of illegal land uses.
- Effective service delivery and networking with the public;
- Issuing zoning certificates, information, business licences;
- Site inspections;
- Dealing with complaints;
- Application considerations;
- Town planning and environmental workshops;

Spatial Planning is central to the development and promotion of an integrated Municipal Area. The Municipality is committed to addressing spatial injustices and ensuring development of vibrant, resilient and sustainable urban and rural areas.

▪ **Implementation of SPLUMA**

The Municipality is currently implementing the Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013. Section 156(2) of the Constitution, gives municipalities the right to make by-laws for the matters which they have the right to administer, in this case “municipal planning” as set out in Schedule 4 B of the Constitution, read together with section 11(3)(e) and (m) of the MSA. A Land Use Planning By-Law was gazetted in terms of SPLUMA, which was implemented from the date of promulgation. This by-law is regarded as compliant with the Constitution, SPLUMA, LUPA, Municipal Systems Act and other legislation.

The Municipality has appointed an Authorised Official and successfully constituted its Municipal Planning Tribunal (MPT) and Municipal Appeal Tribunal (MAT), which deals with land use applications and application appeals respectively. This includes applications for rezoning, removal/suspension of restrictive conditions, township establishments, etc. The turnaround time for processing of land use applications has been expedited through this process.

▪ **Spatial Development Framework (SDF)**

Section 26 of the Municipal Systems Act as well as Section 20 of the Spatial Planning and Land Use Management Act require each municipality to have a Spatial Development Framework.

The SDF is one of the core components of the Municipal IDP and gives spatial effect to the vision, goals and objectives of the new 2017/18 – 2022/22 IDP. It indicates spatially the long-term growth and development of the Municipality and co-ordinates the spatial implications of all strategic sector plans (engineering, transport, economic, housing, community services, etc.).

A new Spatial Development Framework was compiled concurrently with the 2017/18 – 2021/22 Integrated Development Plan, which complies with SPLUMA as well as the principles of the National Development Plan (NDP). The SDF was approved on 30 May 2017 (Resolution 103/2017), and will guide the future spatial development of the Municipal Area.

Decreasing poverty and inequality is intrinsic in the way the SDF has been designed – communities will be closer to new and improved levels of housing, commercial and industrial areas and a chance to be walking distance from jobs, nature and urban agriculture. The SDF identifies areas where the following is needed:

- integration and restructuring
 - economic growth and investment opportunities and social investment
 - Infill and densification;
 - Future development;
 - Development corridors

It also identifies areas with existing infrastructure capacity to support integration, densification, as a way of ensuring sustainable development.

▪ **Service delivery highlights for 2017/18**

- The development of the Struisbaai Industrial area was approved. These erven will be made available through a public process.
- Various guest accommodation and business applications have been considered favourably.

▪ **Service delivery challenges for 2017/18**

- Identifying areas that need to be protected. These include natural, heritage and environmental key assets as well as agricultural and rural assets;
- Identifying areas with no infrastructure capacity for sustainable development.
- Environmental issues are not dealt with an Environmentalist, though consultants are appointed to assist with Environmental processes.
- The erosion of Roman Beach keep on being a challenge to dealt with.
- Illegal house shops and shebeens create social problems and even regular raids / joint operations are not effective.

b) Service statistics

TABLE 127 APPLICATIONS FOR LAND USE DEVELOPMENT

DESCRIPTION	FORMALIZATION OF TOWNSHIPS		REZONING		AUTHORISED OFFICIAL		PLANNING APPEAL COMMITTEE: MAYOR		MUNICIPAL PLANNING TRIBUNAL MPT	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Planning applications received	0	0	20	24	88	127	6	2	3	0
Decisions made in year of receipt	0	0	16	24	71	127	6	0	0	0
Decisions made in following year	0	0	0	5	0	8	0	2	0	3
Applications withdrawn	0	0	0	0	0	0	0	0	0	0
Applications outstanding at year end	0	0	4	5	25	8	2	1	3	0

c) Human resources

TABLE 128 EMPLOYEES SPATIAL PLANNING

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	1	0	0	0	0.00%
04 - 08	0	0	0	0	0.00%
09 - 13	1	1	1	0	0.00%
14 - 18	3	3	3	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	5	4	4	0	0.00%

d) Financial performance: Capital expenditure

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Tablets (OVIOO System updating)	12 600	-	-	-100%	-
TOTAL	12 600.00	-	-	-100%	-

3.9.3 BUILDING CONTROL

a) Introduction to Building Control

The Building Control Department resorts within the Infrastructure Services Directorate of the Municipality. Building Control is integral to the generation of revenue for the municipality, through valuations and planning fees. A seamless process for considering building plans is a foundation for local economic development.

The mandate of the department is to ensure implementation of the National Building Regulations and Standards Act Air Quality Control and Noise Management, which in turn ensures a safe and healthy environment.

The functions of the Building Control Department are:

- Networking with the public and provide info.
- Providing recommendations on plans, specifications and documents and to receive instructions in terms of the NBR and perform them on behalf of the Local Authority and take care of related matters and Legislation.
- Every building plan passes through a clearly structured sequence of well-defined milestones from the receipt of the application right through to the verdict of approval or rejection.
- Address illegal building work and signage and issuing the necessary notices for legal action.
- Building inspections as prescribed.
- Handling of correspondence and dealing with complaints.
- Issuing of occupancy certificates
- Dust control.

The BCO is the local representative of the building industry, but equally represent the NBR as an enforcement officer on behalf of the minister who is responsible for the Act. Building control insure that all buildings comply with the NBR.

- **Service delivery highlights for 2017/18**

- Systems work well for the approval of building plans;
- Staff are knowledgeable;
- Tasks are completed within the prescribed time framework;
- Complaints are dealt with immediately;
- Legal requirements and processes are adhered to;
- Compliance to the Air Quality Management plan for CAM;
- Noise Control is implemented;
- Assisting the public with building plans where they cannot afford architects;
- Doing site visits and giving advice in terms of building work;
- Annual bathroom projects – provide bathrooms for very sick and old people;
- Participation in the following forums:
 - o Member of the LGSETA (QCTO) working group developing Occupational Qualification for Building Inspectors ;
 - o Member of the National Steering Committee for Building Control SA;
 - o Regional Tourism Liaison Committee (RTLCL)
 - o Overberg Planning Forum;
 - o Overberg Air Quality Control Forum;
 - o Noise Control Forum;
 - o Legislative Task Team Forum;
 - o Provincial Air Quality and Noise Management Forum;
 - o Member of the National Association for clean Air.(NACA)

▪ **Service delivery challenges for 2017/18**

Illegal building operations

b) Service statistics

TABLE 129 BUILDING PLANS APPROVED

YEAR	TOTAL	PLANS APPROVED
2008/2009	R251 164 845	400
2009/2010	R165 729 000	586
2010/2011	R134 658 000	401
2011/2012	R124 133 000	403
2012/2013	R124 259 000	354
2013/2014	R111 617 000	318
2014/2015	R258 951 700	468
2015/2016	R284 428 000	364
2016/2017	R353 503 000	446
2017/2018	R346 160 202	428

TABLE 130 VALUE OF BUILDING PLANS

YEAR	TOTAL VALUS	RESIDENTIAL	BUSINESS / INDUSTRIAL	PLANS APPROVED
2008/2009	R251 164 845	384	16	400
2009/2010	R165 729 000	575	11	586
2010/2011	R134 658 000	386	15	401
2011/2012	R124 133 000	387	16	403
2012/2013	R124 259 000	347	7	354
2013/2014	R111 617 000	308	10	318

2014/2015	R258 951 700	457	11	468
2015/2016	R284 428 000	352	12	364
2016/2017	R353 503 000	432	14	446
2017/2018	R346 160 202	428	0	428

a) Human resources

TABLE 131 EMPLOYEES BUILDING CONTROL

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0	0.00%
04 - 08	4	4	3	1	25.00%
09 - 13	1	1	1	0	0.00%
14 - 18	0	0	0	0	0.00%
18 - 20	6	5	4	1	20.00%
TOTAL	0	0	0	0	0.00%

b) Financial performance: Capital expenditure

None

3.9.4 LOCAL ECONOMIC DEVELOPMENT

a) Introduction to local economic development

The purpose of LED is to improve the vibrancy and sustainability of local economies, which will ultimately lead to better living conditions for the majority of the population. LED is not about direct projects with the poor, but more about recognising the scale of this impact by business on poverty levels, and making this even greater. Working directly with the poor is also important but is called social development, not to be confused with economic development.

The role of the Municipality is to facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy. Government can obviously not plan or implement LED effectively if the private sector, who is the key driver of a local economy, is not included in such development processes.

b) LED Strategy

The Municipal Council approved a revised LED Strategy on 27 June 2017. This strategy focuses on initiatives that can be achieved within the short to medium term and is in essence a consolidation of the 2013 revision updated with other internal and external strategic processes, initiatives and programmes relating to economic development. During 2017/18, this strategy was again revised and specific focus placed on implementation.

During the year under review, there was a significant shift to regional economic development. The Overberg District Municipality commenced the process of developing a Regional Economic Development Strategy (RED), and the Municipality participated in this process.

c) LED initiatives and job creation

The primary role of local government is to create a climate that is conducive to local economic development. The Municipality does however seek to create work opportunities wherever it can and the main ways in which the Municipality does this is:

- The Expanded Public Works Programme (EPWP) and Community Works Programme
 - This is a government programme aimed at the alleviation of poverty and unemployment. The programme aims to increase economic growth by improving skills levels through education and training. It also aims to provide an enabling environment for industry to flourish.
- Entrepreneurship development
 - SMME's /Co-operatives. enterprise support and development which is done in partnership with other stakeholders e.g. SEFA, SEDA, DOA, Casidra and DRD&LR
- **Job creation through EPWP projects**

TABLE 132 JOBS CREATED THROUGH EPWP PROJECTS

YEAR	EPWP PROJECTS NO	JOBS CREATED THROUGH EPWP PROJECTS NO	JOBS CREATED THROUGH FTE'S NO
2014/15	62	447	65
2015/16	38	216	44
2016/17	20	371	52
2017/18	42	673	118

The Cape Agulhas Municipality was allocated a grant of R 1 131 000.00 which was fully spent.

▪ **Entrepreneurship Development**

The following registrations were done during 2017/18

TABLE 133 ENTREPRENEUR DEVELOPMENT

REGISTRATIONS	2016/17	2017/18
Co-operatives registered	9	5
Companies registered	26	17
SARS related matters	170	113
CIDB	8	7
COIDA	9	20
UIF	16	41
Supplier data bases	120	83
National Credit Regulator	1	0
Access to finance through CASIDRA	2	4

d) **Rural development programmes**

▪ **Comprehensive Rural Development Programme (CRDP)**

Cape Agulhas Municipality works with the Department of Rural Development and Land Reform and Department of Agriculture on the implementation of interventions to uplift the livelihood of rural communities through various development programme. The programme covers the rural towns of Arniston and Struisbaai as development nodes. These programmes include developing rural

infrastructure, facilitating access to land for community gardens, providing support to emerging farmers, facilitating integrated development and social cohesion. The overall objective of the programme is also to address skewed ownership patterns of distribution of wealth and ownership of wealth and assets.

Over the past year, the Municipality has participated in an established Intergovernmental Steering Committee (ISC) to ensure smooth coordination of all development initiatives by various stakeholders and departments. Through the Steering Committee, many development projects have been identified for implementation this financial year and others are in various stages of completion. These projects include road rehabilitation, provision of fish farming equipment to support the fishing communities. The municipality plays a central role in assisting these fish farming communities to register cooperatives and train them as legal entities. We have also revived and empowered the Council of Stakeholders, a community non-profit organisation whose responsibility is to ensure community participation and monitoring in all development initiatives to empower the Council.

- **Napier Small Town Regeneration Strategy**

The Municipality is also involved in a partnership initiative with South African Local Government Association to implement a Small Towns Regeneration programme in Napier. The programme is also aimed at coordinating development initiatives and mobilising resources for the development and beatification of the town and its people. The programme is coordinated through a Steering Committee, which serves as a link between the Municipality and the community. This initiative has identified projects, which need funding for implementation. Some of these projects are now part of the municipality's integrated development plan and budget processes. A farmer's support project, namely a pack shed is almost at the completion stage. This project is funded by the Department of Rural Development and Land Reform to support the local emerging farmers' cooperative operating in the area. The Municipality together with the Steering Committee has identified a potential of starting a Clothing Factory, It is now busy facilitating the registration of a non-profit making entity that will run the factory.

- **Agri-Parks**

The Municipality is also involved in the implementation of Agri-Parks programme, which is a district programme. The Municipality has earmarked land as a site for Agri-Parks initiative and projects. It also participates in the intergovernmental structure, the District Agri-parks Joint Operation Centre whose role is to coordinate and monitor the implementation of the programme across various municipalities within the district. The Agri-Parks programme is a national programme led by the Department of Rural Development and Land Reform, and the Department of Agriculture. The programme is aimed at reigniting Rural Economic Transformation in identified districts across the country. It is aimed at networking innovation systems of agro-production, processing, logistics, marketing, extension services and training within a district. The programme consists of three basic focus areas or units, which are Farmers Production Support, Agri-Hubs, and Rural Urban Marketing Centres. The future of the programme within the Province is uncertain at this stage, but as a Municipality, we have been and will remain involved.

- **Agricultural projects on municipal land**

The Municipality has made available pockets of communal land, which it owns to various emerging farmers groups who are organised into cooperatives. This process has assisted them to leverage support from the Department of Agriculture who provides them with farming equipment etc. Although sustainability of our emerging farmers remains a challenge, some are doing very well and can be counted as success stories to learn from. These include Napier Health Gro Vegetable Gardens, Amqhawe Farmers' Cooperative and Isivuno, Farmers Cooperative.

e) Other programmes and initiatives

- The first “ Southern tip of Africa” Street Market were held on 1 July 2017. The event was very successful with positive feedback received from the community.
- The Municipality is part of the Fishing Harbours Development Programme of the Department of Public Works and Transport. During the year, the Municipality participated in a Small Harbours Investment conference, which gave us the opportunity to highlight the investment potential of our fishing harbours and surrounding areas.
- The Municipality successfully applied to participate in the Regional Socio Economic Programme (RSEP) and a grant of R4 000 000.00 has been approved for implementation of the project over three years commencing in 2018/19. Identification and planning for the project commenced in 2017/18. The redevelopment of the Ou Meule Street precinct was identified as the project that will be implemented.

f) Tourism

Cape Agulhas Tourism (CAT) managed the tourism function on behalf of the Cape Agulhas Municipality. The Municipality provided them with a grant to the amount of R900 900.00 to cover their operational costs during the 2017/18 financial year. The grant was fully spent.

During the year under review, the Municipality reviewed the manner in which tourism was managed, and a decision was taken by council to include tourism as a line function of Cape Agulhas Municipality with effect from 2018/19. In terms of this decision, tourism officials now fall under the direct supervision of the municipality and the lease agreement for the tourism office has been ceded to Cape Agulhas Municipality. The above resolution was accepted in view of a more developmental role that the Municipality envisions for local tourism, within the context of our local economic development framework.

3.10 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

This component includes libraries, cemeteries and human development.

3.10.1 LIBRARIES**a) Introduction to libraries**

The Municipal Library Service consists of nine libraries. Internet is available in seven of the libraries. The usage of internet facilities is free and costs are covered by the Provincial Library Services. The two libraries that do not have internet, namely Elim and Struisbaai have access to the Cape Access Programme.

TABLE 134 MUNICIPAL LIBRARIES

TOWN	NO	LIBRARIES
Bredasdorp	2	Main and Welverdiend Libraries
Napier	2	Napier Library and Nuwerus Libraries
Struisbaai	1	Struisbaai Library
Arniston / Waenhuiskrans	1	Arniston / Waenhuiskrans Library
Protem	1	Protem Library
Klipdale	1	Klipdale Library
Elim	1	Elim Library

Libraries are an important community service because there are limited recreational facilities in the various towns. Services are provided to old age homes and service centres for the elderly and the libraries are used extensively by school learners. We also assist school libraries with their limited collections through the outreach to Education Connection.

- **Service delivery highlights for 2017/18**

- Security at the Arniston Library was improved through the erection of a spiked fence at the front of the building. This ensures the safety and security of council's property and employees.
- Written confirmation was received from the Department of Cultural Affairs and Sport that they will provide conditional grant funding to set up a modular library for Elim in the 2018/19 financial year.

- **Service delivery challenges for 2017/18**

- The Provincial book budget has been severely cut, but despite this, the libraries still render an excellent service.

b) Service statistics**TABLE 135 SERVICE STATISTICS FOR LIBRARIES**

TYPE OF SERVICE	2016/17	2017/18
Library members	11315	10440
Books circulated	182274	11315
Exhibitions held	198	220
Internet users	8786	6637
Children programmes	97	12

Visits by school groups	11	26
Book group meetings for adults	16	20
Primary and Secondary book education sessions	29	29

There is a marked decline in both membership and book circulation, which is a Province wide phenomenon, believed to be attributable to the increasing use of technology to obtain reading material.

c) Human resources

TABLE 136 EMPLOYEES: LIBRARIES

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	1	1	0	1	100.00%
04 - 08	9	9	9	0	0.00%
09 - 13	3	3	3	0	0.00%
14 - 18	0	0	0	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	13	13	12	1	7.69%

c) Financial performance: Capital expenditure

TABLE 137 CAPITAL EXPENDITURE: LIBRARIES

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Swing door (counter) - Bredasdorp	4 000	1 600	745.61	-81%	-53%
Fencing - Arniston	127 400	158 400	158 400.00	24%	0%
Safety gates - Arniston	10 000	5 100	5 100.00	-49%	0%
Safety gate - Klipdale	5 000	3 700	3 700.00	-26%	0%
Safety gate – Front porch - Napier	12 500	9 910	9 900.77	-21%	0%
Laminating Machine	2 600	1 680	1 677.00	-36%	0%
Safety gates - Bredasdorp	-	6 000	3 697.00	-	-38%
Front Door - Proteem Library	-	10 000	9 900.77	-	-1%
Air Conditioners - Welverdiend Library	-	40 000	35 012.17	-	-12%
TOTAL	161 500.00	236 390.00	228 133.32	41%	-

3.10.2 CEMETERIES

a) Introduction to cemeteries

The Municipality has eight cemeteries within its Municipal Area.

TOWN / AREA	NUMBER
Bredasdorp	1
Struisbaai	2
Napier	1
Waenhuiskrans	1
Protem	1
Klipdale	1
Bredasdorp	1

- **Service delivery highlights for 2017/18**
 - Expansion of the Bredasdorp cemetery
- **Service delivery challenges for 2017/18**
 - Vandalism and theft

b) Service statistics

TABLE 138 SERVICE STATISTICS FOR CEMETERIES

TYPE OF SERVICE	2016/17	2017/18
Pauper burials	5	7
Ordinary burials	108	151

c) Human resources

There are no specific positions assigned to the cemeteries. Cemetery maintenance is done by a singular team of workers who are responsible for community parks and sport and recreation facilities.

d) Financial performance: Capital expenditure

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Fencing Grading of new road - New Bredasdorp cemetery	120 000	120 000	101 522.72	-15%	-15%
TOTAL	120 000.00	120 000.00	101 522.72	-15%	-

3.10.3 HUMAN DEVELOPMENT

a) Introduction to human development

Our Human Development vision is to develop a self-reliant society through a comprehensive network of human development partners that will enable and empower the poor, the vulnerable and those with special needs. Human Development is an important component in each individual and is regarded as a planned change process, designed to promote the human well-being of the population (community) together with economic development.

It is a pro-poor strategy that is based on a people centred approach to enhance development and it promotes citizen participation in development. It also aims to promote the voice of the less fortunate in decision-making and in building democratic and accountable institutions to achieve social and economic justice, human rights, social solidarity and active citizenship.

▪ **Service delivery highlights for 2017/18**

- Youth Employment
 - o Appointed 4 youth to implement youth development programmes on EPWP for the 2017/2018 financial year
- Facilitation of sport development opportunities
 - o The Department facilitated opportunities for the sporting community to compete at Provincial and National level
- Established 7 soup kitchens
 - o Facilitated the implementation and monitoring of the 7 soup kitchens in the Municipal Area during the winter season
- Youth development Programmes
 - o Established a functional Junior Town Council
- Implemented the annual youth camp with grade 7 learners from the rural areas.
 - o Leadership programmes were implemented to enhance the confidence levels amongst the youth
 - o Personal development program for peer educators at SANPARKS.

▪ **Service delivery challenges for 2017/18**

- A lack of volunteers to facilitate programs in all wards
 - o We need additional human capacity to assist with after school sport and recreation programmes in all the wards to ensure acceleration and sustainability of the programmes.
- Resources to enhance the implementation of human development activities
 - o The Department has to partner with stakeholders with similar objectives to implement sustainable programmes.
 - o Public open spaces need to be environmentally safe so that they can be utilized for sport and recreation activities
 - o Sport facilities need to be accessible and affordable for sport and recreation activities
 - o Infrastructure at community halls to be more user friendly for indoor sport activities

b) Service Statistics

TABLE 139 SERVICE STATISTICS FOR HUMAN DEVELOPMENT PROGRAMMES

ACTIVITY	2016/2017	2017/18
Soup kitchens established or supported	7	7
Youngsters educated and empowered	<ul style="list-style-type: none"> - Established a functional Junior Town Council - Distribution of information for employment and study opportunities distributed amongst the youth - Conducted two Youth Leadership camps 	<ul style="list-style-type: none"> - Established a functional Junior Town Council - Distribution of information for employment and study opportunities distributed amongst the youth - Conducted two Youth Leadership camps

	- Facilitated the process for six sports clubs to be enrolled on a 3year club development process	
Initiatives to increase awareness on disability	- Supported two events for the disabled community	- Supported two events for the disabled community
Initiatives to increase awareness on women	- Conducted two women empowerment camps with positive impact - Participated in the 16 days of activism programme against no violence against women and children - Participated in the Women Symposium, which was held for women from all spheres within the Cape Agulhas area.	- Conducted two women empowerment camps with positive impact - Participated in the 16 days of activism programme against no violence against women and children
Initiatives to increase awareness on HIV/AIDS	- World Aids Day event	- World Aids Day event
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	- Drug awareness campaign with stakeholders during June	- Drug awareness campaign with stakeholders during June
Special events hosted	- National Day for the Aged - Youth Day - World AIDS Day - 16 days of activism against women	- National Day for the Aged - Youth Day - World AIDS Day - 16 days of activism against women

c) Human resources

TABLE 140 EMPLOYEES: HUMAN DEVELOPMENT

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0	0.00%
04 - 08	0	1	1	0	0.00%
09 - 13	4	4	4	0	0.00%
14 - 18	1	1	1	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	5	6	6	0	0.00%

d) Financial performance: Capital expenditure

TABLE 141 CAPITAL EXPENDITURE: HUMAN DEVELOPMENT

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Microwave / Urn / Stove / Vacuum cleaner	11 500	6 700	6 364.95	-45%	-5%
Food preparation surface (kitchen)	10 000	-	-	-100%	-

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Thusong Centre		-	661 088.10	-	-
TOTAL	21 500.00	6 700.00	667 453.05	3004%	-

3.11 COMPONENT E: ENVIRONMENTAL PROTECTION

The Environment is a concurrent National and Provincial competency in terms of Part A of Schedule 4, of the Constitution. The Municipal Systems Act requires municipalities to work together with other organs of state to ensure environmental sustainability. This component includes: air and noise quality control; biodiversity coastal protection and climate change, which are all programmes done in co-operation with other organs of state.

DEADP has finalised a Municipal Environmental Profile for Overberg District Municipality and the document has been given to the District for dissemination to local municipalities. The Municipal Profile provides an overview of the current environmental status quo and current challenges within Overberg District Municipality. The intention of the profile is to deepen awareness of environmental aspects within the District in order to highlight key considerations for future development planning. It covers the following thematic areas: Environmental Management Governance; Environmental Programmes; Biodiversity; Waste Management; Air Quality; Climate Risk and Vulnerability; and Climate Change Mitigation).

3.11.1 AIR QUALITY CONTROL

a) Introduction to air quality control

The Constitution defines air pollution as an executive role of local government. This imposes responsibilities on local municipalities in terms of building capacity, to ensure monitoring and enforcement of air pollution.

The National Environment Management: Air Quality Act, 2004 (Act no. 30 of 2004) was promulgated in 2004. Municipalities have a number of duties in terms of this legislation including:

- Develop an Air Quality Management Plan (AQMP) for inclusion in the Municipality's IDP; and
- To ensure the effective and consistent implementation of sustainable Air Quality management practices by all spheres of government, relevant stake holders and the civil society to progressively and efficiently maintain clean and healthy air in CAM.
- Make sure that all tasks are performed in accordance with the relevant laws.
- Attend all local and provincial forums and meetings, give feedback reports and on community meetings in this regard.

Building Control are responsible for Air Quality at CAM. The Municipality has appointed an Air Quality Officer, as well as an assistant. An Air Quality Management Plan and by-law has been developed and approved by Council. The Air Quality Officer attends the Provincial and District Air Quality Forums as required and we provide information and inputs to the Western Cape State of Air Report.

▪ Service delivery highlights for 2017/18

- Francois du Toit and Patrick Pietersen successfully completed the training in Air Quality Monitoring
- Patrick Pietersen also successfully completed the Ambient Emission Monitoring training course. They did receive their certificates.
- Air Quality awareness banners was made.

▪ Service delivery challenges for 2017/18

- To implement awareness raising and education program for local schools.

3.11.2 NOISE CONTROL

a) Introduction to noise control

The Environment Conservation Act, 1989 Western Cape Noise Regulations was promulgated in 2013. The Municipality has to ensure compliance with the Noise Regulations for the Western Cape in accordance with the relevant laws.

Building Control is responsible for Noise Control, and work jointly with the ODM. They also attend meetings, handle complaints and enforcement and attend all relevant noise control training.

- **Service delivery highlights for 2017/18**

- Francois du Toit and Patrick Pietersen both successfully completed the course in Environmental Noise and Traffic Noise Control Management (Regulatory) and received their certificates.

- **Service delivery challenges for 2017/18**

- Awareness raising
- Education at local schools for noise control.

3.11.3 BIO-DIVERSITY AND LANDSCAPE

Biodiversity refers to genus and species (animals and plants), ecosystems, and landscape and the ecological and evolutionary processes that allow these elements of biodiversity to exist.

The Department of Environmental Affairs and Tourism prepared the National Biodiversity Strategy and Action Plan (NBSAP) "... to develop a plan of action for the conservation and sustainable use of the country biological diversity". During the NBSAP preparation, the National Biodiversity Implementation Plan identified objectives, outcomes, and activities required the NBSAP to achieve its goals.

The Critical Biodiversity Areas (CBA) of the Overberg District Municipality report was prepared in April 2010, and indicates the CBA's for the district. These include protected areas, critical biodiversity areas and ecological support areas. The report indicated that the southern part of the Municipal Area contains an important mosaic of CBA's, and the northern part, the Runes Agricultural Area, contains some Renosterveld remnants identified as CBA's. There is a need to have these critical biodiversity areas mapped and appropriate guidelines developed to guide conservation thereof.

During the year under review, the Municipality spent an amount of R60 000.00 for alien clearing and maintenance of roads and mountain bike trails on the Heuningberg Reserve.

3.11.4 COASTAL PROTECTION

The Cape Agulhas Coast has several large bays of which 43% are sandy beaches, 39% rocky and 18% wave cut rocky platforms. A few of these beaches have been identified as susceptible to sea level rise due to climate change. The De Hoop Nature Reserve has about 50 km of protected coastline.

The Integrated Coastal Management Programme (ICMP) for the Western Cape in 2003 was prepared in terms of the Coastal Zone Management Bill and the Coastal Zone Policy. The objectives of the CMP are to “...facilitate improved planning of coastal resources as well as allow for better targeted investment from government and non-government organisations to support sustainable coastal development”.

Consultants were appointed in 2012/13 to draft the Coastal Management Programme for the Overberg District Municipality over a three-year period.

The scope of the Overberg CMP includes:

- Inception Report
- Situation Analysis
- Coastal Management Programme
- Public participation
- Draft Coastal Management By Laws

The Coastal Management Programme was concluded in May 2016 with the inclusion of inputs from interested and affected parties.

The consultants were instructed to draw up an overarching Coastal Management Programme for the Overberg District Municipality as well as specific Coastal Management Programmes focusing on implementation for each of the three Local Municipalities of Cape Agulhas, Swellendam and Overstrand.

The Coastal Management Programme with the specific Coastal Management Programmes was made available during the final public commenting period from 1 December 2015 until 05 February 2016. Prior to releasing the documents to the public for comments, each coastal municipality was given the opportunity to submit comments on their specific Coastal Management Programme.

- a) An interim funding mechanism that is currently being used to assist with implementation is the Working for the Coast Programme. Unfortunately, this funding is allocated to an implementer and not the ODM, which will leave the municipality with little control over the channelling of funding and the addressing of priorities.
- b) The ODM awaits the outcome of the Legal Protocol that is being prepared “*Defining the role of Local Government in Environmental Management and establishing the cost of performing environmental management functions*” (prepared on behalf of DEA and SALGA) will give much needed clarity on Environmental Management and its scope of work together with the cost to provide this cross cutting function, which includes coastal management.

The Suiderstrand Slipway was listed by MEC: Local Government, Environmental Affairs and Development Planning, Anton Bredell, as an official Public Launch Site and Cape Agulhas Municipality identified as the responsible Management Body, in Provincial Gazette 7410, Provincial Notice 193/2015, on 26 June 2015. The users of this site must comply with the provisions of the general duty of care principle and the remediation stipulated in terms of section 28 of the National Environmental Management Act, 1998 (Act No. 107 of 1998), the provisions of the National Environmental Management: Integrated Coastal Management Act, 2008 (Act No. 24 of 2008) as well as all other relevant legislation.

During the year, environmental authorisation was granted in terms of Regulation 25 of the Environmental Impact Assessment Regulations, 2014 for the repair, maintenance and upgrade of the existing infrastructure

and the development of an access road at the Struisbaai Fishing Harbour situated in the Western Cape Province.

3.11.5 CLIMATE CHANGE

There is a need for mainstreaming climate change, specifically the green economy and low carbon transition. The green economy has potential benefits for job creation and reducing poverty through projects aimed at reducing carbon emissions, such as energy efficiency and the Kyoto Protocol's Clean Development Mechanism, while still fulfilling our responsibilities on environmental stewardship and climate change.

Climate Change response and Air Quality are closely linked. The problem itself is not new, but the complexity has compounded and has become much more intense and that can be seen in CAM and the Overberg.

At this stage, the exact magnitude of Climate Change is largely unknown, but it is reasonably foreseeable that the following changes may and are already occurring in Cape Agulhas:

- Longer dry periods between rainfall events.
- Shifts in seasonality.
- Change of weather patterns.
- Rise in sea levels such as those seen at Struisbaai. The Cape Agulhas coast has several areas that have been identified as being susceptible to sea level rise due to climate change.

All this puts food security in danger, although wheat and grain production in the Overberg is likely to be less effected by global climate change than other production areas.

Cape Agulhas Municipality is working together with all relevant Provincial and National departments, to develop a Climate Change Response strategy/framework for the Overberg. This will help improve planning for climate change adoption and work together to a more sustainable future for Cape Agulhas in the Overberg. Awareness raising, outreach and education programmes on Climate Change must be put in place in the Overberg.

The Department of Environmental Affairs in collaboration with the South African National Biodiversity Institute (SANBI) has also developed a Strategic Framework and Overarching Implementation Plan for EbA (i.e. the EbA Strategy) in 2015. The Strategy is aimed at implementing a programme of activities that will enhance the resilience of ecosystems and communities to adapt to the adverse effects of climate change as part of South Africa's overall climate change adaptation strategy in support of a long-term, just transition to a climate-resilient economy and society.

3.12 COMPONENT F: SAFETY AND SECURITY

This component includes traffic services (including law enforcement and licencing), disaster management and fire services. Safety and security is the responsibility of the Protection Services Department, of the Management Services Directorate.

The Department is committed to serving the needs of its diverse community and constantly strives to improve its standing within the community it serves and the profession itself. The strategic focus is to promote the safety and security of the Cape Agulhas Community by:

- Maintaining public order;
- Protecting and securing the inhabitants and their property;
- Combating specific crime generators;
- Improving traffic flow;
- Facilitating the provision of affordable, safe and sustainable transport systems;
- Taking action to reduce the effects of a disaster;
- Implementing measures to reduce long-term risks associated with human activity or natural events.

3.12.1 TRAFFIC SERVICES, LICENSING AND LAW ENFORCEMENT

a) Introduction to traffic services and law enforcement

The purpose of the Traffic and Law Enforcement Service is to ensure the safety and security of everyone in the Cape Agulhas Municipal Area through the provision of efficient service infrastructure and resources to provide licensing, testing, traffic and municipal by-law enforcement services. By promoting safer roads, vehicles and road users who uphold the law the Department will contribute to creating a safer environment.

The objectives of the Department are:

- To reduce critical offence rates that lead to crashes;
- To reduce crashes, fatalities and serious injuries;
- To inculcate safe road user behaviour and encourage voluntary compliance;
- To create heightened awareness of road traffic safety issues;
- To increase detection and prosecution of critical road traffic offences;
- To harmonize and co-ordinate common operations of a high standard in the municipal area;
- To maximize communications and public exposure on law enforcement issues;
- To improve the image of the law enforcement fraternity.

The functions of the Department are:

- Traffic Control
 - Escorting of abnormal loads, funerals, VIP's and other dignitaries;
 - Visible traffic policing;
 - Ensure road safety during events in area;
 - Attending accidents and traffic complaints;
 - Daily point duties at crossings and scholar patrol points;
 - Traffic safety education;
 - Fine processing.
- Law Enforcement
 - Attend to complaints regarding animals, hawkers, overgrown erven and other by-law offences;

- Educate the community about the safekeeping and caring for animals;
- Protection of the Municipalities councillor's, employees and properties;
- Ensure crime prevention by detecting and combating crime generators;
- Community announcements;
- Promote law and order in municipal area.
- Licensing
 - Drivers testing and licensing;
 - Vehicle fitness;
 - Motor vehicle registration/licensing
 - Managing traffic fines by processing it on internal systems, which ensure that all processes are followed.

Vehicle licensing is a function of the Department of Transport and Public Works, but the Municipality renders this service as an agency of the Department.

▪ **Service delivery highlights for 2017/18**

- Licensing
 - The appointment of the Natis Helpdesk Clerk in the Licensing Section ensures a faster more efficient client service function. It ensures that licensing transactions run smoothly and less queuing time due to incomplete forms or absentness of prescribe documents.
 - The vacant post of the Superintendent Licensing was also filled during the 2017/18 financial year, which helps with the supervision and assists with the smooth running of the booking system for learner- and driving licence testing.
 - The filling of the Superintendent Licensing post provided an opportunity to upskill the Pit Assistant (skills development) who was an examiner of vehicles.
- Law enforcement - Animal Control
 - Wellness day on Elim and Struisbaai for horses
 - Two sterilization projects were conducted in Struisbaai North for cats and dogs in co-operation with organisation called Love for Pets.
 - Animal Control had a successful snake capture season
 - A new draft Animal By-law has been developed and circulated for comments.

▪ **Service delivery challenges for 2017/18**

- Safety and Security Challenges
 - The department experiences challenges during the festive season period December /January with overcrowded beach areas such as Duiker Street, Nostra beachfront and parking areas with day campers. More law enforcement officers are needed during the holiday season to assist with the large numbers of holidaymakers and vehicles within our coastal towns.
 - More facilities for day campers.
- Licensing Section Challenges
 - A larger waiting area is needed for the clients waiting for transaction to be process.
- Law enforcement - Animal Control
 - A fully functional pound is needed for all types of animals.
 - Staff shortages

b) Service statistics

TABLE 142 TRAFFIC SERVICES AND LAW ENFORCEMENT AVAILABILITY

DETAIL	2016/17	2017/18
Number of Traffic and Law Enforcement Officers in the field on an average day	13	22
Number of Traffic and Law Enforcement Officers on duty on an average day	13	22
Number of EPWP Law Enforcement Officers in the field on an average day	12	12
Number of K53 Examiners of Drivers Licenses and Examiners of Vehicles on duty on an average day	4	4

TABLE 143 TRAFFIC SERVICES AND LAW ENFORCEMENT SERVICE STATISTICS

SERVICE	DESCRIPTION	2016/17	2017/18
Traffic	Number of road traffic accidents during the year	387	771
	Fines issued for traffic offenses	21289	30588
	R-value of fines	6 418 487	11 948 400
	Roadblocks held	140	160
	Special Functions – Escorts	105	108
Law enforcement	Awareness initiatives on public safety	12	14
	Number of by-law infringements attended to	977	847
	Animals impounded	497	51
	Number of Animals handled	1888	1753
Licensing	Motor vehicle licenses processed and registration	86113	28396
	Learner driver licenses processed and issued	17323	1544
	Driver licenses processed	7483	2426
	Driver licenses issued	2742	5003

c) Human resources

TABLE 144 EMPLOYEES: TRAFFIC AND LAW ENFORCEMENT

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	1	0	0	0	0.00%
04 - 08	3	3	3	0	0.00%
09 - 13	21	19	18	1	0.00%
14 - 18	1	0	0	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	26	22	21	1	4.55%

d) Financial performance: Capital expenditure

TABLE 145 CAPITAL EXPENDITURE: TRAFFIC AND LAW ENFORCEMENT AND LICENCING

PROJECT	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Zippels	60 000	-	-	-100%	-
Motorcycle Equipment: K53	15 000	-	-	-100%	-
18 Chairs - Reception Area	8 000	4 500	4 500.00	-44%	0%

Vehicles: x1 Sedan (Traffic)	180 000	191 550	191 549.10	6%	0%
Buildings - Renovation of reception area (Entrance)	45 000	-		-100%	-
TOTAL	308 000.00	196 050.00	196 049.10	-36%	-

3.12.2 DISASTER MANAGEMENT

a) Introduction to disaster management

Disaster management is a continuous integrated, multi-sectored and disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery and rehabilitation (Disaster Management Act. No. 57 of 2002).

Disaster Management is co-ordinated by the Protection Services Department, which is linked to the Overberg Disaster Management Centre, which is used during major incidents to guide, assess, prevent and reduce the risk of disasters.

The Municipality revised its Disaster Management Plan on 27 June 2017, Resolution 154/2017. The Disaster Management Plan confirms the arrangements for managing disaster risk and for preparing for- and responding to disasters within the Cape Agulhas Municipality. It also provides officials and other role players, with an effective guide as to what their roles and responsibilities are in the event of a disaster and focuses on prevention of disasters and minimising the impact of hazards, which cannot be avoided.

When damage or losses occur during a disaster / incident, the following social assistance is provided by the Municipality:

- R1 000 voucher per household to buy food and clothing;
- Each victim is issued with a blanket;
- Used clothing is also provided where sizes are in stock;
- Short term accommodation is available when needed;
- Food is provided for the victims during the emergency period and thereafter they are issued with the voucher;
- Informal settlement material is provided as a starter kit to rebuild a structure;
- Plastic sheeting is available to cover leaking structures.

This assistance is available to anyone who qualifies based on their need for assistance during an incident or the extent of damage to their property.

b) Service statistics

TABLE 146 SOCIAL ASSISTANCE PROVISION STATISTICS

SOCIAL ASSISTANCE DESCRIPTION	2016/17	2017/18
Total number of families assisted during disasters / incidents	306	215
Number of people receiving social assistance	12	72
Number of people receiving assistance with accommodation	0	35
Number people receiving assistance with structure material after fires	12	52
Number people receiving assistance with plastic sheeting to mitigate leaking structures	285	110

3.12.3 FIRE SERVICES

a) Introduction to fire services

Cape Agulhas Municipality renders the Fire Service through a shared service agreement with the Overberg District Municipality (ODM), which obligates them to:

- Prevent the outbreak or spread of a fire;
- Fight and extinguish fires;
- Protect life or property against a fire or other threatening danger;
- Rescue life or property from a fire or other danger.

ODM's objectives in terms of fire services are to:

- Respond promptly to incidents and disasters;
- Ensure that fire fighters comply with the Occupational Health and Safety Act on the provision of personnel protective equipment at all times.
- Do public participation programmes by means of Safety Road Shows, Radio talk shows, development of a website etc.;
- Ensure the establishment of a community fire safety forum;
- Ensure that the community is trained and informed regarding fire safety;
- Make fire safety information available to public.

A high priority is placed on community awareness and training to minimise call outs.

3.13 COMPONENT G: SPORT AND RECREATION

This component deals with sport and recreation, which also includes community parks, sports facilities, community halls and resorts, which are collectively managed by the Public Services Department of the Management Services Directorate.

a) Introduction to sport and recreation

The Municipal Area currently has 20 parks with playground equipment, as well as a community park in every ward. There are also sports grounds / fields and community halls in every ward as well as campsites / resorts in Bredasdorp, Arniston, Struisbaai and L'Agulhas. Provision for maintenance and upgrading are budgeted for annually in terms of the maintenance plan but is limited to available funds.

▪ Service delivery highlights for 2017/18

- The Department of Culture, Arts and Sport selected Bredasdorp as a site for the Overberg Sports Academy, and contributed an amount of R 700 000 for the upgrading of the sportsgrounds, which includes:
 - Dry walling
 - Aluminium dividers and tinted windows
 - Air-conditioning
 - Data projector and electronic screen
 - Toilets for the disabled
 - Gym at hall with rubber tiles
 - Floodlights upgraded
 - Signage
- Outside gym - Hibiscus Park
- Blue flag status – Struisbaai Beach
- Commenced with upgrading of the L'Agulhas tidal pools

▪ Service delivery challenges for 2017/18

- Vandalism and theft at all municipal buildings
- Security is a challenge at all municipal buildings

b) Service statistics

TABLE 147 SPORT AND RECREATION SERVICE STATISTICS

Type of service	2015/16	2016/17	2017/18
Community parks			
Number of parks with play park equipment	18	17	20
Number of wards with community parks	6	6	6
Camp sites/Resorts			
Number of visitors per annum	95 000	98 000	99 000
R-value collected from visitation and/or accommodation fees	5 456 369.82	R6,181,585	R6 966 651.69
Sport Grounds / Fields			
Number of wards with sport fields	6	6	6
Number of sport associations utilizing sport fields	11	13	10
Community halls			
Number of wards with community halls	6	6	6

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Number of sport associations utilizing community halls	11	11	10
R-value collected from rental of sport halls	221 602.48	R12,644	R158 621.47

c) Human resources

TABLE 148 EMPLOYEES: SPORT AND RECREATION

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	16	9	9	0	0.00%
04 - 08	31	32	29	3	9.38%
09 - 13	11	13	13	0	0.00%
14 - 18	1	1	1	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	59	55	52	3	5.45%

d) Financial performance: Capital expenditure

TABLE 149 CAPITAL EXPENDITURE: SPORT AND RECREATION

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Carpet Extraction Unit	6 500	2 890	2 535.09	-61%	-12%
Furniture - Community Hall (Struisbaai)	10 000	10 000	6 183.34	-38%	-38%
Ceiling – Struisbaai Community hall	100 000	91 090	91 081.25	-9%	0%
Air conditioners (Replacement) x3	34 000	21 540	21 535.00	-37%	0%
Play park - Public Open spaces (Hibicus Avenue)	150 000	150 000	115 663.00	-23%	-23%
Sport facility - Fencing of Struisbaai sport ground	50 000	29 910	26 232.76	-48%	-12%
Backpack sprayers X2	5 000	3 230	3 228.06	-35%	0%
25HP Kohler CV752 Engine – for Scag grass cutter	47 000	47 000	42 750.00	-9%	-9%
Sport facility - Waenhuiskrans	614 036	-	-	-100%	-
3 x FS450 Brush cutter	40 000	23 290	23 281.50	-42%	0%
Basic Assessment - Soccer Field, Napier	120 000	120 000	118 067.04	-2%	-2%
Beautification of entrance to towns	100 000	93 390	93 388.75	-7%	0%
Upgrade Sport Facilities Academy	700 000	700 000	344 799.79	-51%	-51%
Furniture at Resorts	100 000	100 000	67 421.13	-33%	-33%

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DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Safeguarding of Receptionist area (Waenhuiskrans)	105 000	95 520	95 512.28	-9%	0%
Struisbaai Boardwalk (Move: Repair)	250 000	217 750	214 750.00	-14%	-1%
Upgrading of Entrance Main Building	100 000	35 000	22 400.00	-78%	-36%
Upgrading of Ablution facility (Wheelchair friendly) - Nostra	30 000	30 000	23 250.00	-23%	-23%
Upgrading of Large Tidal Pool	450 000	450 000	554 404.17	23%	23%
Equipment Boreholes - Napier & Suiderstrand	150 000	147 000	129 921.30	-13%	-12%
TOTAL	3 161 536.00	2 367 610.00	1 996 404.46	-37%	-16%

3.14 COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes Executive and Council, Municipal Managers Office and Financial and ICT Services

3.14.1 EXECUTIVE AND COUNCIL**a) Introduction to executive and Council**

The Executive and Council comprises the Municipal Council support staff as well as the Office of the Municipal Manager, which includes the Strategic Planning and Administration, Human Resource and Organisational Development and Socio –economic Divisions as well as the Internal Audit Unit. The activities of these divisions are detailed under Governance (Chapter 2) and Organisational performance (Chapter 4).

b) Human resources**TABLE 150 EMPLOYEES: EXECUTIVE AND COUNCIL**

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES
01 - 03	0	1	0	1
04 - 08	0	6	6	0
09 - 13	11	15	12	3
14 - 18	2	4	4	0
18 - 20	0	0	0	0
TOTAL	13	26	22	4

c) Financial performance: Capital expenditure**TABLE 151 CAPITAL EXPENDITURE: EXECUTIVE AND COUNCIL**

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Collab Ward Committee Management Module	26 000	25 910	22 522.44	-13%	-13%
Coreldraw software	8 250	6 240	6 235.00	-24%	0%
Vehicle (LDV) with canopy	220 000	144 130	144 028.55	-35%	0%
Informal Trading Area 272/2015	500 000	-	-	-100%	-
Flipchart Easel	1 000	990	864.91	-14%	-13%
Pull-up banners X6	6 000	5 130	4 500.00	-25%	-12%
Backdrop	1 000	-	-	-100%	-
Photographic lights	10 000	10 000	8 332.46	-17%	-17%
Voice Recording device	6 000	6 000	3 289.00	-45%	-45%
Loud Hailer / Mic Stands	2 600	2 600	1 625.74	-37%	-37%
TOTAL	780 850.00	201 000.00	191 398.10	-75%	-5%

3.14.1.1 PROPERTY ADMINISTRATION

a) Introduction to property administration

Property management falls within the Administrative Unit of the Strategic Services Division and its main function is to manage municipal owned immovable property, excluding social / low cost housing properties. This entails the managing of the processes associated with the sale and leasing of municipal immovable property as well as the administration of the valuation appeal board. The activities of this unit are key to the financial viability of the Municipality. During the year under review, the Municipality sold four properties to the value of R5 680 162.00. Lease agreements were concluded for seven properties and a further five lease agreements were extended.

▪ Service delivery highlights for 2017/18

- A new Valuation Appeal Board was appointed by the Minister of Local Government in terms of the Municipal Property Rates Act, no 6 of 2004, for the period 1 March 2018 to 28 February 2022. The following members have been appointed:
 - Chairperson: Adv M Mdludlu
 - Valuer / Member Mr H Wiggins
 - Member Mr PJ Gerber
 - Member Mr V Valentine
 - Member Ms M Badenhorst
- The Valuation Appeal Board finalized the general valuation roll during a sitting held in September 2017, where they heard all the appeals and signed off the roll.
- The process of auditing all vacant land commenced. This will assist in determining what land can be sold, rented or made available for economic development.

▪ Service delivery challenges for 2017/18

- A lack of available serviced plots for the middle class.
- Legislative prescripts cause delays and processes for the selling /renting of land become very long and drawn out, and not conducive to promoting development. The lack of public knowledge of these processes also causes frustration.
- The lack of funding for emerging farmers to buy their own property.
- Shortage of staff for the monitoring of all the lease conditions.

3.14.1.2 HUMAN RESOURCE AND ORGANISATIONAL DEVELOPMENT SERVICES

a) Introduction to human resource and organisational development services

The primary objective of the Human Resource Department is to render an innovative human resource service that addresses both human resource development and human resource administration. The activities of this section are detailed under Organisational Performance (Chapter 4).

▪ Organisational development highlights for 2017/18

- Organisational Productivity Assessment (Employee Utilisation)
- Employment Equity Plan approved 27 September 2017
- Employment Equity Report submitted to the Department of Labour the 5th December 2017

- Organisational Structure approved 7 December 2017 and revised additions approved 22 June 2018

▪ **Organisational development challenges for 2017/18**

- Budget allocated for employment equity purposes
- Interventions to improve management of performance

b) Human resources

TABLE 152 EMPLOYEES: HUMAN RESOURCES

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0	0.00%
04 - 08	0	4	3	1	25.00%
09 - 13	9	12	12	0	0.00%
14 - 18	1	1	1	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	10	17	16	1	6.25%

c) Financial performance: Capital expenditure

TABLE 153 CAPITAL EXPENDITURE: HUMAN RESOURCES

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Air conditioners (X2)	40 000	15 510	15 508.00	-61%	0%
	40 000.00	15 510.00	15 508.00	-61%	0%

3.14.2 FINANCIAL SERVICES

a) Introduction to financial services

The Cape Agulhas Municipality remains committed to fulfil its Constitutional Mandate by providing basic services to all the people in its community within the municipality's financial and administrative capacity in a sustainable manner. The year under review was particularly challenging in that it was the first year of implementation of the mSCOA Regulations and the simultaneous conversion to a new mSCOA compliant financial system. The activities of this section are detailed under Financial Performance (Chapter 5).

▪ **Service delivery highlights for 2017/18**

- The Municipality achieved a clean audit in 2017/18 for the fifth consecutive year
- The Municipality maintained a good debt collection rate of 96,50%
- The Municipality's liquidity ratio improved from 1.26:1 (Restated Figure) in the previous financial year to 1.81:1 in the 2017/18 financial year, but despite this we still maintained a sound financial position although less than the National Treasury minimum norm at 1.50:1
- Creditors are being paid within the 30 day limit

- Council approved a revised and updated Long Term Financial Plan Strategy (LTFP) as well as a Revenue Enhancement Strategy implementation plan for rollout per set target date.
 - Despite various challenges experienced with the implementation of mSCOA, the municipality was able to meet National Treasury’s set targets to ensure compliance together with the implementation of a new financial system aligned with the mSCOA requirements.
- **Service delivery challenges for 2017/18**
- Employee related costs are 39,74%, slightly less than National Treasury’s norm of between 30 - 40% and are an indicator of productivity and / or efficiency within local municipalities. The LTFP proposes a target of 30% for the Municipality to remain financially viable in the long term. The Municipality completed a productivity study during the 2017/18 financial year, and approved a new macro organogram whereby a number of positions not fully utilized became redundant and scrapped from the personnel structure. The Municipality only considers the filling of legislative required and / or service delivery orientated positions.
 - Increasing costs of bulk purchases of electricity from Eskom coupled limitations on tariffs imposed by NERSA. Ongoing review and update of the current tariff structure aligned with NERSA’s tariff benchmark guideline for electricity and other services continues in order to be more transparent, fair and equitable.
 - Long term financial sustainability of the Municipality. The Municipality reviews its Long Term Financial Plan Strategy on an annual basis to stay abreast with any new developments to ensure financial sustainability as one of its most critical performance indicators.
 - Increasing of reserves. By applying a mix of other sources for capital funding aligned with the Municipality’s LTFP recommendations, the Municipality embarked on a process to introduce external borrowing as an additional source of funding for infrastructure related capital projects. The Municipality managed to improve its cash position and as a result could increase the capital replacement reserve to R30 million for the financial year under review

b) Human resources

TABLE 154 EMPLOYEES: FINANCE

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	2	1	0	1	100.00%
04 - 08	10	13	13	0	0.00%
09 - 13	22	30	29	1	3.33%
14 - 18	4	4	4	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	38	48	46	2	4.17%

c) Financial performance: Capital expenditure

TABLE 155 CAPITAL EXPENDITURE: FINANCE

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
Vesta - Financial System	1 150 000	1 615 100	1 602 031.18	39%	-1%
Samsung Screens		6 900		-	-100%

Office Chairs (x2)	4 000	3 700	3 692.98	-8%	0%
Heavy Duty High back chair	3 500	3 300	3 300.00	-6%	0%
Voice Recorder	3 000	2 480	2 475.50	-17%	0%
TOTAL	1 160 500.00	1 631 480.00	1 611 499.66	39%	-1%

3.14.3 INFORMATION COMMUNICATION TECHNOLOGY

▪ Introduction to Information Communication Technology

Over the past 7 years since the ICT division was established we have strived towards adding value to the Municipality. Initially we focused on supporting the officials or end users in the organization and the costs relating to communication mediums.

As we started to grow, we understood that the role of ICT in any organization is vitally important in the effective functioning of the organization as a whole. We set out to better understand the function of each department and how ICT can add value not only related to cost but also to assist each department, to better fulfill its mandate. For the first 5 years we mainly focused on infrastructure and ensuring that the ICT infrastructure not only responds to current requirements, but also enables to us to move forward in the future.

Although ICT governance has always been a big part of this division since inception in 2010, the focus was more on compliance than value add. In the 2016/2017 financial year, we began a drive towards ensuring that we not only comply in terms of Governance, but also add actionable value to the Municipality.

One can easily argue that Governance is just another manner of adding red tape or a strain to the functionality of the Municipality, but once again we found that perceptions are something one can change and by proving the value add of something such as governance can actually be to the benefit of the Municipality.

As previously mentioned, the focus of the past two years was on governance, which in turn lead to an increase in the maturity level of ICT in the organization. A lot of focus was put on processes and security in terms control and access to information. Various strategies were drafted and approved by Council focusing on an integrated or collective goal, as set by the Municipal Council.

▪ Service delivery highlights for 2017/18

- We strive towards getting system and services to talk to each other to provide the best possible information to management to make informed decisions. In order for us to ensure this however we still need to focus on various infrastructure developments and planning mechanisms.
- We did an external **ICT Security Audit** to determine if adequate security is in place (which one may find is never enough) and what else is required to ensure we safeguard information and the integrity thereof. With the outcome thereof, we started implementing various processes and hardware to address some of the possible risks identified. For security purposes, we cannot elaborate on this, but will always need to ensure that we do everything we can do ensure we stay aware of the security threats that is always changing.
- Disaster recovery and business continuity are one of those Governance issues every organization faces and this entails various processes, hardware and user reliance. With this in mind we started

with the establishment of a fully functionally **Disaster Recovery site** in this financial year, with the capabilities to relocate certain fundamental Officials should a Disaster occur. By the end of this financial year, we were about 80% complete with the physical environment as this is a two-year project. We do however acknowledge that the physical environment is only one of the fundamentals to the success of Disaster recovery and business continuity and a lot more will be done over the coming 2018 / 2019 financial year in order to further the capabilities of such a site.

- Strategies, this is one of those key planning documents one can only hope will receive the attention it requires. In December 2017, the Municipal Council approved and adopted the **ICT Strategy plan**, which in turn aligned to the Municipal IDP. This is to ensure that ICT support not only users internal to the Municipality, but also to assist the organization as a whole to reach its goals.
- Another strategy, very unexpected, unplanned and unforeseen at the beginning of this financial year was approved by Council in June 2018, just before the end of the financial year, namely the **Smart City Strategy**. This is one of the most exciting and scary projects ever attempted from an ICT perspective. Although the idea spawned in the ICT division, it became clear very quickly that this was not an ICT strategy. Rather one that is inclusive of the whole Municipality and supportive of the mSCOA principles. It is essentially not an ICT reform but a Municipal reform.

▪ **Service delivery challenges for 2017/18**

- In order for ICT to deliver services to both the municipal officials, the Municipality as a business and to the communities we serve certain criteria need to be met. When something happens or an event occurs that put a strain on these criteria, challenges emerge.
- We can however state that the support and understanding from Management and the ICT Steering Committee on how we envision the role of ICT in the Municipality, plays a big role in why we can face challenges in a controlled manner when they occur.
- With adequate planning challenges and risks can be mitigated once they emerge, having said that things still happen and how one reacts to that may very well be one of the biggest challenges we face.
- Once again, this year cyber security was one of our biggest challenges. This however was not only limited to Cape Agulhas Municipality as security threats worldwide became more frequent over the past year. We did however see an increase from **846565** (Jun 2017) to **291 664** (May 2018) virus attacks on our networks.
- This increase is partially due to internet related access, but one has to consider the manner in which the world evolves and the reliance on Internet related services become more relevant in today's day and age.
- Due to the type of access required to systems and internet related service we actioned a service provider to do an security assessment of our environment and processes in order to determine not only what our current state is, but also to ensure we implement adequate measures to ensure the protection of information and the integrity of our data. On average over 1.2 T (Terabyte) of data is transferred on the network of the Municipality and safeguarding this is key to the success various processes in the organization.

c) **Human resources**

TABLE 156 EMPLOYEES: ICT

JOB LEVEL	POSTS 2016/17	POSTS 2017/18	EMPLOYEES	VACANCIES	VACANCIES (%)
01 - 03	0	0	0	0	0.00%
04 - 08	0	0	0	0	0.00%
09 - 13	2	3	2	1	33.33%

14 - 18	1	1	1	0	0.00%
18 - 20	0	0	0	0	0.00%
TOTAL	3	4	3	1	25.00%

d) Financial performance: Capital expenditure

TABLE 157 CAPITAL EXPENDITURE: ICT

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENT	VARIANCE TO ORIGINAL BUDGET	VARIANCE TO ADJUSTMENT BUDGET
New Laptops	203 000	88 692	88 692.50	-56%	0%
Projector	7 000	6 294	6 294.00	-10%	0%
External HDD	6 000	5 860	5 859.65	-2%	0%
Switch POE	48 000	111 700	111 403.38	132%	0%
Two Way Radios	10 500	28 000	26 850.00	156%	-4%
Time Attendance (Access Control) CRR	200 000	203 000	200 294.80	0%	-1%
Whiteboard	1 000	880	877.00	-12%	0%
Chair	2 000	1 850	1 850.00	-8%	0%
Server - mSCOA	400 000	281 749	281 748.96	-30%	0%
Replacement PC's	8 000	65 585	60 405.13	655%	-8%
Screens Replace	17 000	17 000	16 450.87	-3%	-3%
Replacement Laptops (Insurance (x1) - R9510)	101 500	171 191	179 697.01	77%	5%
Upgrade Server room DR Site	300 000	300 000	299 999.91	0%	0%
TOTAL	1 304 000.00	1 281 801.00	1 280 423.21	-2%	0%

3.15 COMPONENT I: DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2018/19**3.15.1 STRATEGIC GOAL 1: TO ENSURE GOOD GOVERNANCE**

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL9	Development of a business plan for the Smart City Concept	Number of business plans completed	All	1
TL38	Implement the RBAP for 2017/18 by 30 June 2019{(Number of audits and tasks completed for the period/ Number of audits and tasks identified in the RBAP)x100}	% of audits and tasks completed in terms of the RBAP	All	85%
TL43	Review the mSCOA action plan for 2018/19 and distribute to all divisions in the department by 31 July 2018	Action plan reviewed and submitted to all divisions	All	1
TL47	Spend 95% of the total approved management services capital budget by 30 June	% of budget spent	All	95%

3.15.2 STRATEGIC GOAL 2: TO ENSURE INSTITUTIONAL SUSTAINABILITY

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL35	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people from employment equity target groups employed in vacancies that arise in the three highest levels of management	All	1
TL36	The percentage of the municipality's personnel budget actually spent on implementing its Workplace Skills Plan by 30 June 2019 in terms of the WSDL Act. {(Actual amount spent on training/total personnel budget)x100}	% of the personnel budget spent on training	All	1%

3.15.3 STRATEGIC GOAL 3: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT IN THE CAPE AGULHAS MUNICIPAL AREA

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL34	Create FTE's through government expenditure with the EPWP by 30 June 2019	Number of FTE's created	All	58
TL39	Implement RSEP/ VPUU Programme phase 1 (Ou Meule Street)	Number of projects approved by the RSEP Adjudication Committee of DEADP by 30 December 2018.	2	1
TL46	Develop a municipal tourism strategy by 31 December 2018	Number of municipal tourism strategies submitted for approval	All	1

3.15.4 STRATEGIC GOAL 4: TO IMPROVE THE FINANCIAL VIABILITY OF THE MUNICIPALITY AND ENSURE ITS LONG TERM FINANCIAL SUSTAINABILITY

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL8	The percentage of the municipality's capital budget actually spent on capital projects by 30 June 2019 $\{(Actual\ amount\ spent\ on\ projects / Total\ amount\ budgeted\ for\ capital\ projects) \times 100\}$	% of the municipal capital budget spent	All	95%
TL10	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% Debt to Revenue	All	10%
TL11	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 (Total outstanding service debtors/ revenue received for services) (Target is maximum))	% Service debtors to revenue	All	10%
TL12	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure	Cost coverage	All	1.3

	excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))			
TL13	Achieve a debtors payment percentage of at least 96% by 30 June 2019 $\{(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue\} \times 100\}$	% debtors payment ratio achieved	All	96%

3.15.5 STRATEGIC GOAL 5: TO ENSURE ACCESS TO EQUITABLE AFFORDABLE AND SUSTAINABLE MUNICIPAL SERVICES FOR ALL CITIZENS

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL1	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	Number of residential properties which are billed for water or have pre-paid meters	All	8,677
TL2	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2019	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas)	All	9,033
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service (inclusive of septic tanks), irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2019	Number of residential properties which are billed for sewerage	All	8,995
TL4	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	Number of residential properties which are billed for refuse removal	All	9,614
TL5	Provide 6kl free basic water per month to all formal households during the 2018/19 financial year	Number of HH receiving free basic water	All	8,677
TL6	Provide 50 kwh free basic electricity per month to indigent	Number of indigent households receiving free basic electricity	All	3,161

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	households in terms of the equitable share requirements during the 2018/19 financial year			
TL7	Provide free basic sanitation and refuse to indigent households in terms of the equitable share requirements during the 2018/19 financial year	Number of indigent households receiving free basic sanitation and refuse in terms of Councils indigent policy	All	3,161
TL14	Provide electricity to 300 RDP houses by 30 June 2019 (INEP Funds)	Number of houses electrified	2	300
TL15	95% of the roads and storm water capital budget spent by 30 June 2019 $\{(Actual\ expenditure\ divided\ by\ the\ total\ approved\ roads\ and\ storm\ water\ capital\ budget) \times 100\}$	% of roads and storm water capital budget spent	All	95%
TL16	Reseal roads within the municipal area as per PMS 2009 by 30 March 2019	Square metres of road sealed	All	70,000
TL17	Upgrade paving in Struisbaai / L'Agulhas by 31 December 2018	Square metres of paving upgraded	5	4,000
TL18	Improve sidewalk in Bredasdorp by 31 December 2018	Square metres of sidewalk upgraded (Tar / paving)	2; 3; 4; 6	2,500
TL19	Construct a storm water pipeline for Area F by 30 September 2018	Number of projects completed	2	1
TL20	95% of the approved refuse removal capital budget spent by 30 June 2019 $\{(Actual\ expenditure\ divided\ by\ the\ total\ approved\ refuse\ removal\ capital\ budget) \times 100\}$	% of refuse removal capital budget spent	All	95%
TL21	95% of the approved water capital budget spent by 30 June 2019 $\{(Actual\ expenditure\ divided\ by\ the\ total\ approved\ water\ capital\ budget) \times 100\}$	% of water capital budget spent	All	95%
TL22	Limit unaccounted for water to less than 18% by 30 June 2019 $\{(Number\ of\ Kilolitres\ Water\ Purchased\ or\ Purified - Number\ of\ Kilolitres\ Water\ Sold\ (incl.\ free\ basic\ water) / Number\ of\ Kilolitres\ Water\ Purchased\ or\ Purified) \times 100\}$	% unaccounted water	All	18%
TL23	95% average water quality level obtained as per SANS 241 on micro parameters for all water supply areas during the 2018/19 financial year	% water quality level obtained	All	95%
TL24	Update the Water Services Development Plan by 30 March 2019	Number of WSDP's submitted to Council	All	1

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TL25	65% waste water discharge quality obtained for Bredasdorp WWTW	% quality of waste water discharge obtained	All	65%
TL26	Complete the equipping of boreholes in Napier and Suiderstrand by 30 December 2018	Number of boreholes equipped	1; 5	2
TL27	Compile design and tender documentation for the rehabilitation of the Waste Water Treatment Works in Bredasdorp by 30 June 2019	% of the approved project spent	2; 3; 4; 6	95%
TL28	Limit unaccounted for electricity to less than 8% by 30 June 2019 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} × 100}	% unaccounted electricity	All	8%
TL29	95% of the electricity capital budget spent by 30 June 2019 {(Actual expenditure divided by the total approved capital budget) × 100} as per individual project plans	% of electricity capital budget spent	All	95%
TL30	Install 1474 EEDSM Street lights by 30 June 2019	Number of EEDS Street lights installed	All	1,474
TL31	Revise the Human Settlement Plan and submit to Council by 31 March 2019	Revised Human Settlement Plan developed and submitted to Council	All	1
TL37	Development of an infrastructure maintenance and development plan by 30 June 2019	Number of IMDP's submitted to Council	All	1
TL40	95% of the INEP funds received spent by 30 June 2019 for the electrification of 69 IRDP houses {(Actual expenditure divided by the total received INEP allocation) × 100}	% of the INEP funds received spent	2	95%
TL41	Implement wheelie bin project through the purchase of 6000 wheelie bins by 30 June 2019	Number of wheelie bins purchase	All	6,000
TL42	Establish a regional steering committee for the implementation of the shared landfill site report by 30 September 2018	Number of steering committees and meetings	All	1
TL44	Implement Human Settlement Plan through the construction of top structures in Area F by 30 June 2019	No of top structures completed and handed over to beneficiaries	2	300

TL45	Implement Human Settlement Plan through the construction of top structures in Area H (PHP) by 30 June 2019	No of top structures completed and handed over to beneficiaries	2	158
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3.15.6 STRATEGIC GOAL 6: TO CREATE A SAFE AND HEALTHY ENVIRONMENT FOR ALL CITIZENS AND VISITORS TO THE CAPE AGULHAS MUNICIPALITY

REF	KPI	UNIT OF MEASUREMENT	WARDS	ANNUAL TARGET
TL32	Obtain full Blue Flag status for Duiker Street Beach Struisbaai by 30 November 2018	Number of beaches for which full blue flag status is achieved.	5	1
TL33	Complete phase 1 of the upgrading of the Waenhuiskrans Sport Facility by 30 June 2019	% of project budget spent	6	95%

CHAPTER 4: ORGANISATIONAL PERFORMANCE

This Chapter aligns to the National Key Performance Areas (KPA's) of **Municipal Transformation and Organisational Development** as contained in the Local Government: Municipal Planning and Performance Management Regulations of 2001 read together with Section 43 of the MSA.

4.1 INTRODUCTION

The Cape Agulhas Municipality currently employs 347 people (excluding non-permanent employees), who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of the Human Resource Department is to render an innovative human resource service that addresses both human resource development and human resource administration.

▪ Job creation

Cape Agulhas Municipality continues to collaborate with the Expanded Public Works Programme (EPWP), the Community Works Programme (CWP). Also creating employment through the Coastal Management Programme. In this financial year, 42 EPWP Projects were implemented. Cape Agulhas Municipality's job opportunities targets for the unemployed were as follows:

TABLE 158 JOB CREATION THROUGH EPWP PROJECTS

OPPORTUNITIES	TARGET	ACTUAL ACHIEVED	ACHIEVEMENT %
Job Opportunities	187	673	358%
Full time Equivalents	40	118	295%

▪ Training and development

Cape Agulhas Municipality continues to capacitate employees and encourages job specific skills training and development to deliver quality services to the community. The priority focus this financial year was on technical skills training, management development and project management. A Recognition for Prior Learning (RPL) Programme funded internally and externally in partnership with North Link TVET College was implemented. Approximately 67 Infrastructure Services and Management Services employees were initially assessed and the table below indicates the candidates that are now eligible to be trained as artisans on various skill sets.

TABLE 159 EMPLOYEES ELIGIBLE FOR ARTISAN TRAINING

PROGRAMME	ROADS & STORM WATER	WATER & SANITATION	SOLID WASTE	PUBLIC WORKS MAINTENANCE	ELECTRICAL SERVICES
RPL	12	14	6	8	7
Artisan :Plumbing	N/A	8	N/A	N/A	N/A
Project Management	N/A	N/A	N/A	N/A	N/A

The training and development drive is to ensure that our employees are adequately skilled and there is a pool of skilled and semi-skilled workers internally. This was done through funding received from various Sector Education and Training Authorities (SETA's) namely the Local Government SETA and the Construction SETA and Internal Funding. The Anene Booysen Skills Centre opened opportunities for

technical and administrative training to our officials in various disciplines in terms of both academic and skills training. The Municipality and other government department utilise the skills training to deliver training for the community and government employees.

Training on mentorship and coaching as well as performance management was also rolled out to the various levels of management.

TABLE 160 EXECUTIVE, SENIOR AND MIDDLE MANAGEMENT DEVELOPMENT TRAINING

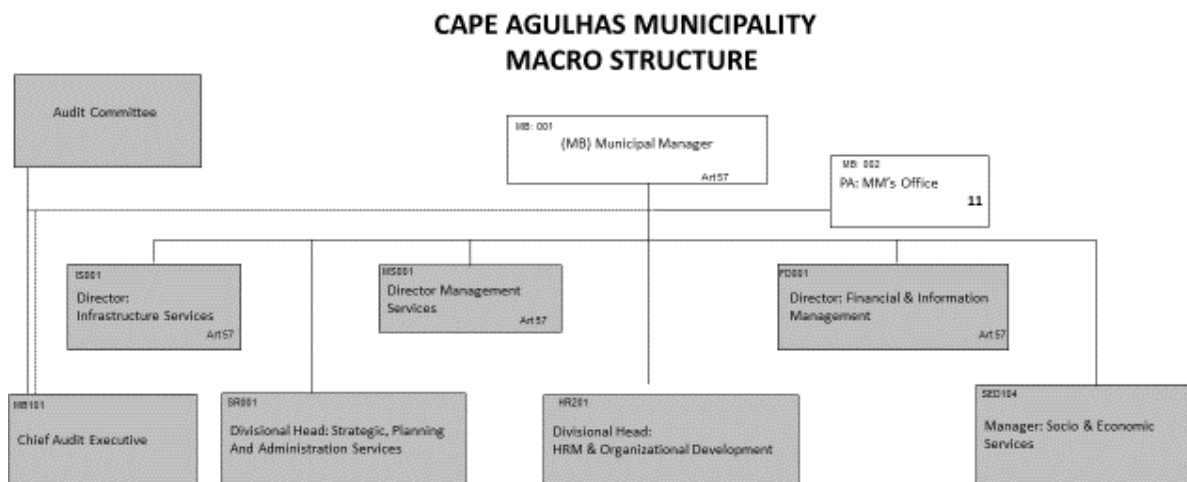
PROGRAMME	Mayoral Committee members	Snr & Middle Management	Junior Management
Mentorship & Coaching	4	15	15
Performance Management	N/A	17	13

▪ **Organisational Structure**

The 2017/18 financial year Organisational Structure was approved by Council in June 2017. The design of the Macro Structure (see below) was designed to respond to the needs of the community and respond to the financial sustainability needs as stipulated in the Cape Agulhas Municipality Integrated Development Plan.

The position of Director: Corporate Services was abolished, from the Organisational Macro Structure and the three Divisions were created reporting directly to the Municipal Manager including a new Socio Economic Services division.

FIGURE 10 2017/18 MACRO STRUCTURE



▪ **Productivity Assessment**

This project was initiated by Cape Agulhas Municipality and co-funded by the Western Cape Department of Local Government. Productivity South Africa, a government agency, conducted the assessments. The

project focused on a sample of positions where there was a need to assess the utilisation of our workforce. Council accepted the results.

A transfer of Skills Workshop facilitated by Productivity South Africa was conducted for Managers and Senior Managers to impart this skill, to conduct the utilisation productivity assessments internally. Currently Senior Management and Managers are skilled and knowledgeable enough to conduct utilisation assessments at their Departments.

4.2 THE MUNICIPAL WORKFORCE

4.2.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed, to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to “Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality’s approved employment equity plan”.

Cape Agulhas Municipality developed an Employment Equity Plan for the period 2017 – 2020, with specific racial and gender specified targets and goals, for this period, to ensure equity within the Municipality. The new Employment Equity Plan was approved on 27 September 2018. This is a three-year Employment Equity Plan, which will give us the opportunity to revise the plan to meet our targets and adhere to any changes in legislation.

a) Employment Equity targets

The Organizational Structure made provision for the occupational level of two African males in the Senior Management Category. A vacancy occurred which required an African Male, due to the scarcity and proximity of Cape Agulhas we could not attract targeted candidates. A Colored male from the previously disadvantaged group was appointed. Cape Agulhas Municipality still needs to reach the target at this level. The approved Employment Equity Plan 2017-2020 makes provision for targets by racial classification for the Top Three Levels of Management.

TABLE 161 EMPLOYMENT EQUITY TARGETS BY RACIAL CLASSIFICATION: TOP THREE LEVELS OF MANAGEMENT

OCCUPATIONAL LEVELS	TASK NUMERICAL TARGETS AND GOALS 2017-2020								TOTAL PERMANENT	VACANCIES	TOTAL POSTS
	Male				Female						
	A	C	I	W	A	C	I	W			
Top Management	1	5	0	4	1	3	0	0	14	5	14
Goals: 2017 to 2018					1					1	
Goals: 2018 to 2019	2									2	
Goals: 2019 to 2020					1	1				2	
Senior Management	0	2	0	1	1	0	0	1	5	1	5
Goals: 2017 to 2018											
Goals: 2018 to 2019						1				1	
Goals: 2019 to 2020											
Professionally	1	8	0	10	3	3	0	1	26	13	26

qualified										
Goals: 2017 to 2018	2				1	1		1		5
Goals: 2018 to 2019	1				1	1		1		4
Goals: 2019 to 2020	1	1			1	1				4

TABLE 162 2017/18 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION FOR TOP THREE LEVELS OF MANAGEMENT

AFRICAN			COLOURED			INDIAN			WHITE		
TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED
4	0	0%	1	1	100%	0	0	0%	1	0	0%

TABLE 163 2017/18 EMPLOYMENT EQUITY TARGETS/ACTUAL BY RACIAL CLASSIFICATION (All employees)

AFRICAN			COLOURED			INDIAN			WHITE		
TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED
22	2	9.09%	17	4	23.5%	1	0	0%	4	1	25%

TABLE 164 2017/18 EMPLOYMENT EQUITY TARGETS/ACTUAL BY GENDER CLASSIFICATION

MALE			FEMALE			DISABLED		
TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED	TARGET JUNE	ACTUAL JUNE	TARGET REACHED
18	6	33.33%	23	1	4.38%	2	1	50%

b) Employment Equity occupational levels by race

The determination of employment equity targets and the appointment of staff in terms of those targets is set out in the table below, and is based on the population composition of the Western Cape Province. The local population demographics are no longer applied.

TABLE 165 EMPLOYMENT EQUITY AS MEASURED AGAINST THE POPULATION

DESCRIPTION	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Population numbers	1 912 547	2 840 404	60 761	915 053	5 728 765
% Population	33.70	49.60	1.06	15.97	100
Number for positions filled	2	4	0	1	7
Total workforce	54	252	0	41	347
% for Positions filled	3.7%	1.58%	0%	2.4%	2.0%

c) Occupational levels and departments by race

The table below categorises the number of employees by race within the occupational levels (including councillors):

TABLE 166 OCCUPATIONAL LEVELS (INCLUDES COUNCILLORS)

OCCUPATIONAL Levels	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top Management	1	6	0	4	1	3	0	0	15
Senior management		0	0	1	1		0	1	3

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Professionally qualified and experienced specialists and mid-management	1	11	0	10	1	3	0	1	27
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	49	0	8	6	37	0	15	120
Semi-skilled and discretionary decision making	10	56	0	3	4	31	0	1	105
Unskilled and defined decision making	22	48	0	0	3	15	0	0	88
Total permanent	39	170	0	26	16	89	0	18	358

The following table categories the number of employees by race within the different departments (excluding Councillors):

TABLE 167 DEPARTMENT – RACE (EXCLUDES COUNCILLORS)

DEPARTMENT	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	3	10	0	4	3	25	0	3	48
Financial Services	1	20	0	4	5	12	0	8	50
Management Services	7	36	0	6	6	38	0	5	98
Infrastructure Services	28	100	0	9	1	11	0	2	151
TOTAL	39	166	0	23	15	86	0	19	347

4.2.2 VACANCY RATE

The approved organogram for the Municipality has 393 posts for the 2017/18 financial year of which 362 are funded. In 2013, at the start of the implementation of the Employment Equity Plan. The vacancy rate was 43%. The vacancy rate has declined steadily since. At the end of the 2017/18 financial year, it was 4.41% (excluding unfunded posts). The vacancy rate per post level and functional level are indicated below:

TABLE 168 ANNUAL VACANCY RATE

PER POST LEVEL	2016/17		2017/18	
	FILLED	VACANT	FILLED	VACANT
MM & MSA section 57 & 56 (Top Management)	5	0	4	0
Senior Management	5	1	3	0
Professionally qualified and experienced specialists and middle management	26	0	27	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	111	6	120	5
Semi-skilled and discretionary decision making	107	2	105	3
Unskilled and defined decision making	96	3	88	6
TOTAL	350	12	347	15

PER FUNCTIONAL LEVEL	2016/17		2017/18	
	FILLED	VACANT	FILLED	VACANT
Office of the Municipal Manager	10	1	48	5
Corporate Services	44	1	0	0

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Financial Services	38	0	50	2
Community Services	109	2	98	4
Infrastructure Services	149	8	151	4
TOTAL	350	12	347	15
*Excluding CDW posts				

The table below indicates the vacancy rate during the financial year:

TABLE 169 VACANCY RATE PER MONTH

MONTH	TOTAL FUNDED POSTS	FILLED POSTS	VACANCIES	% VACANCY RATE
July 2017	362	349	13	3.59%
August 2017	362	347	15	4.14%
September 2017	362	348	14	3.87%
October 2017	362	344	18	4.97%
November 2017	362	344	18	4.97%
December 2017	362	344	18	4.97%
January 2018	362	345	17	4.70%
February 2018	362	345	17	4.70%
March 2018	362	345	17	4.70%
April 2018	362	345	17	4.70%
May 2018	362	345	17	4.70%
June 2018	362	347	15	4.41%

The table below indicates the number of staff per level expressed as total positions and current vacancies expressed as full time staff equivalents:

TABLE 170 VACANCY RATE HIGHEST LEVELS OF MANAGEMENT

SALARY LEVEL	NUMBER OF CURRENT CRITICAL VACANCIES	NUMBER TOTAL POSTS AS PER ORGANOGRAM	VACANCY JOB TITLE	% VACANCIES (AS A PROPORTION OF TOTAL POSTS PER CATEGORY)
Municipal Manager	0	1	n/a	n/a
Chief Financial Officer	0	1	n/a	n/a
Other Section 57 Managers	0	2	n/a	n/a
Senior management	0	3	n/a	n/a
Professionally qualified and mid management	0	27	n/a	n/a
TOTAL	0	34	n/a	0%

4.2.3 STAFF TURNOVER RATE

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. A low turnover rate is indicative of a stable employment environment.

The staff turnover rate showed an increase from 2.86% in 2016/17 to 3.17% in 2017/18. Turnover is primarily due to incapacity cases, resignations due to better prospects and a few retirements. As a result, we have

lost our Employment Equity Targets. In closing this gap, we need to focus on getting the lost targets regained by replacing these occupational levels accordingly.

The table below indicates the staff turnover rate over the last three years:

TABLE 171: TURNOVER RATE

FINANCIAL YEAR	TOTAL NUMBER OF APPOINTMENTS AT THE END OF EACH FINANCIAL YEAR	NEW APPOINTMENTS	NUMBER OF TERMINATIONS DURING THE YEAR	STAFF TURNOVER RATE
2015/16	346	54	24	6.94%
2016/17	350	14	10	2.86%
2017/18	347	7	11	3.17

4.3 MANAGING THE MUNICIPAL WORKFORCE

The success or failure of a municipality depends on the quality of its political leadership, sound governance of its finances, the strength of its institutions and the calibre of staff working for the municipality.

4.3.1 INJURIES

All injuries and incidents must in terms of OHSA reported immediately or as soon as practically possible for assessment, recording or possible investigation.

The injury rate shows a slight increase of 30.34% for 2017/18 as compared to 2016/17. This means that 13.18% of our workforce was injured on duty during 2017/18 financial year

An injury frequency rate is the number of injuries per 1,000,000 employee-hours worked. During 2018/19, we will be applying this formula to calculate the injury on duty rate. It is an indicator of the state of health and safety at a workplace. It provides an idea about the organization’s efforts to protect the workers from work related hazards. Injury frequency rate can be calculated by the following formula:

$$\text{Injury frequency rate} = \frac{(\text{Number of injuries in the period} \times 1,000,000)}{\text{Number of hours worked in the period}}$$

The two departments with the highest number of injuries are Management Services and Infrastructure Services, but there is a decrease in occupational injuries in both departments.

This is due to more emphasis being placed on safe work procedures and safety awareness and training. Random safety inspections are also conducted by the OHS officer and the Safety Representatives of departments. Protective clothing awareness is a standing item on the Local Labour Forum Monthly meetings, where issues pertaining to quality PPE and budgets are raised and addressed.

The table below indicates the total number of injuries within the different directorates:

TABLE 172 INJURIES ON DUTY

DIRECTORATES	2016/17	2017/18
Office of the Municipal Manager	2	5
Financial Services	2	0
Management Services	16	10
Infrastructure Services	26	33
TOTAL	46	48

The following table distinguishes between minor and major injuries for 2017/18 A is any that has the potential to cause prolonged disability or death. A minor injury is an injury that is not serious that can be managed by a nurse).

TABLE 173 CLASSIFICATION OF INJURIES ON DUTY

DIRECTORATES	Minor injuries	Major injuries.
Office of the Municipal Manager	5	0
Financial Services	0	0
Management Services	10	0
Infrastructure Services	33	0
TOTAL	48	0

The total rand value of injuries on duty for 2017/18 is R261 446.02.

4.3.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of sick leave days taken during the **2017/18** financial year shows an overall **decrease** of 23.7%. There is a substantial increase in the sick leave of the Office of the Municipal Manager that can be attributed to the review of the Organisational structure that resulted in a number of the former Corporate Services Departments being merged into divisions reporting to the Municipal Manager.

The implementation of an electronic leave management system (Employee Self Service) from PayDay has assisted in ensuring good management of sick leave, as leave is accounted for in areas where it was previously difficult to obtain supporting documentation for leave reconciliations. This has enabled us to identify trends and improve leave management as a whole.

TABLE 174 SICK LEAVE

DEPARTMENT	2015/16	2016/17	2017/18
Office of the Municipal Manager	9	32.50	338.81
Financial Services	405	294	258.50
Management Services	815	1035	912.09
Infrastructure Services	851	1128.50	1008.25
TOTAL	2480	3070	2517.65

4.3.3 HUMAN RESOURCE POLICIES AND PLANS

Human Resources policies and procedures are important as they provide structure, control, consistency, fairness in any company. They also ensure compliance with employment legislation and inform employees of their responsibilities and the employer’s expectations.

TABLE 175 HR POLICIES AND PLANS

POLICY / PLAN	DATE APPROVED	WILL BE REVISED
Anti-Fraud and Corruption Policy	September 2017	2019
Anti-Fraud and Corruption Plan	September 2017	2019
Anti-Fraud and Corruption Strategy	September 2017	2019
Code of Ethics	September 2017	2019
Remuneration Policy	December 2017	2019
Uniform/ Protective Clothing Policy	December 2017	2019

4.3.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with Regulation 805, a performance bonus, based on affordability, may be paid to an employee, after -

- the annual report for the financial year under review has been tabled and adopted by the municipal council;
- an evaluation of performance in accordance with the provisions of regulation 23; and
- approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance. Section 57 managers are those individuals that are appointed by the municipality on a contract basis and who reports directly to the Municipal Manager of the municipality. The table below shows the total number of S57 managers that received performance rewards during the financial year in respect of the previous year’s performance after all performance evaluations were dealt with:

TABLE 176 PERFORMANCE REWARDS

RACE	GENDER	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES RECEIVED PERFORMANCE REWARDS	% EMPLOYEES RECEIVED PERFORMANCE REWARDS
African	Female	0	0	0
	Male	2	1	25
Asian	Female	0	0	0
	Male	0	0	0
Coloured	Female	0	0	0
	Male	1	1	25
White	Female	0	0	0
	Male	1	1	25
Disability	Female	0	0	0
	Male	0	0	0
TOTAL		4	3	75

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the Municipal Systems Act states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

The Municipality was able to implement its 2017/18 Workplace Skills Plan (WSP). Funding was received from the Local Government SETA and the Construction SETA, which was utilised for most of the technical and administrative training provided for in the 2017/18 Workplace skills plan. The Local Government SETA also funded bursaries for Municipal Employees to pursue local government related academic studies at all levels

4.4.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

TABLE 177 SKILLS MATRIX

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Legislators	Female	0	2
	Male	0	2
MM and S57, snr Managers	Female	2	15
	Male	3	4
Professionals	Female	4	11
	Male	5	5
Technicians and Associate Professionals	Female	5	7
	Male	5	15
Clerical Support Workers	Female	5	10
	Male	0	3
Service and Sales Workers	Female	2	1
	Male	6	3
Skilled Agricultural, forestry, Fishery, Craft and related Trade workers	Female	0	0
	Male	4	0
Plant and Machine Operators and Assemblers	Female	0	1
	Male	9	2
Elementary Occupations	Female	18	2
	Male	102	51
Sub total	Female	36	49
	Male	134	85
Total		170	134

4.4.2 SKILLS DEVELOPMENT – TRAINING

The Skills Development Act (1998) and the MSA require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1) (f) states that, as Head of Administration, the Municipal Manager is responsible for the management, utilization and training of staff.

The table below shows the occupational categories in terms of targeted and actual numbers of employees who received training.

TABLE 178 SKILLS DEVELOPMENT

OCCUPATIONAL CATEGORY	GENDER	EMPLOYEE COUNT	LEARNERSHIP			SKILLS			OTHER			TOTAL TARGET	TOTAL ACTUAL
			ACTUAL PREVIOUS	TARGET	ACTUAL CURRENT	ACTUAL PREVIOUS	TARGET	ACTUAL CURRENT	ACTUAL PREVIOUS	TARGET	ACTUAL CURRENT		
Legislators	Female	4	0	0	0	2	0	2	0	0	0	0	4
	Male	7	0	0	0	2	0	2	0	0	0	0	7
MM and S57, Snr Managers	Female	6	0	0	0	15	2	4	0	0	0	0	4
	Male	17	0	0	0	4	5	15	0	0	0	0	15
Professionals	Female	14	0	0	0	4	7	11	0	0	0	0	11
	Male	11	0	0	0	3	4	5	0	0	0	0	5
Technicians and Associate Professionals	Female	1	0	0	0	6	0	4	0	0	0	0	4
	Male	23	0	0	0	15	10	11	0	0	0	0	11
Clerical Support and Workers	Female	59	0	0	0	10	0	27	0	0	0	0	27
	Male	19	0	0	0	3	0	7	0	0	0	0	7
Services and Sales	Female	0	0	0	0	0	0	6	0	0	0	0	6
	Male	0	0	0	0	0	7	4	0	0	0	0	4
Skilled Agricultural, forestry, Fishery, Craft and related Trade workers	Female	14	0	0	0	0	0	0	0	0	0	0	0
	Male	12	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0	0	0	0	0	0	0	0
	Male	34	0	0	0	2	0	3	0	0	0	0	3
Elementary	Female	33	0	0	0	2		2	0	0	0	0	2
	Male	112	0	0	0	14		14	0	0	0	0	18
TOTAL		366	0	0	0	82	35	117	0	0	0	0	123

4.4.3 GENDER MAINSTREAMING IN TERMS OF SKILLS DEVELOPMENT

The table below illustrates how many employees have been given training opportunities, by gender. Of the employees identified for training in 2017/18 financial year, 37% were females and 63% were males. This shows that more male employees than female employees received training opportunities. To have a Gender Sensitive Training Budget we need to ensure that there is a balance in gender when planning for development of females and males. The Municipality will in the future need to focus on Gender Sensitive Training Budget.

TABLE 179 EMPLOYEE ORGANISATIONAL TRAINING AND DEVELOPMENT OPPORTUNITIES

STAFF COMPLEMENT	NUMBER	%
Females	49	37
Males	105	63
TOTAL	154	100

4.4.5 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcome-based NQF Level 6 qualification in Municipal Finance Management. In terms of the Government Notice 493 of 15 June 2007, “(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations.”

The plan of action dated 29 August 2012 sent to Treasury (special merit cases), has been achieved over and above the requirement. Our first group of 26 completed their training in January 2013 and the second group of 21 completed their training in July 2014. A third group started in September 2014 and a fourth group in April 2015 that are not part of special merit cases, and mainly comprise newly appointed officials, interns and non-financial officers. This financial year three only staff members are completing the finance minimum competency. New senior management, Finance officials and financial Interns appointed, are currently on training.

The table below provides details of the financial competency development progress as required by the notice:

TABLE 180 FINANCIAL COMPETENCY DEVELOPMENT PROGRESS REPORT

DESCRIPTION	A. TOTAL NUMBER OF OFFICIALS EMPLOYED	B. TOTAL NUMBER OF OFFICIALS EMPLOYED	CONSOLIDATED: TOTAL OF A AND B	CONSOLIDATED: COMPETENCY ASSESSMENTS COMPLETED FOR A AND B	CONSOLIDATED: TOTAL NUMBER OF OFFICIALS WHOSE PERFORMANCE	CONSOLIDATED: TOTAL NUMBER OF OFFICIALS THAT MEET PRESCRIBED
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	BY MUNICIPALITY (REGULATION 14(4)(A) AND (C))	BY MUNICIPAL ENTITIES (REGULATION 14(4)(A) AND (C))		(REGULATION 14(4)(B) AND (D))	AGREEMENTS COMPLY WITH REGULATION 16 (REGULATION 14(4)(F))	COMPETENCY LEVELS (REGULATION 14(4)(E))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	3	0	3	3	3	3
Any other financial officials	34	0	34	30	na	30
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	na	1
Supply chain management senior managers	0	0	0	0	na	0

4.4.6 SKILLS DEVELOPMENT – BUDGET ALLOCATION

An amount of R1 450 000.00 of the allocated budget of R1 398 351.05 was spent on training. Funding was also received from the Sector Education and Training Authority (SETA). All planned skills training was done and we utilised the funding received from the SETA to provide technical and administrative training. The training budget for this financial year was successfully utilised for CAM employees.

TABLE 181 BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT

YEAR	TOTAL OPERATIONAL BUDGET	TOTAL ALLOCATED FOR TRAINING	TOTAL SPENT	% SPEND
2016/17	R 279 470 030.00	1 450 000.00	R1 222 683.00	0.43%
2017/18	R 115,542,164.00	1450 000.00	R1 398 351.05	1.19%

4.5 MUNICIPAL WORKFORCE EXPENDITURE

The percentage personnel expenditure is essential to the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is at the national norm of between 35 to 40%:

TABLE 182 TOTAL PERSONNEL EXPENDITURE

FINANCIAL YEAR	TOTAL EXPENDITURE SALARY AND ALLOWANCES R'000	TOTAL OPERATING EXPENDITURE R'000	PERCENTAGE %
2016/17	112 675	2 677 040	40.32
2017/18	115 542	290 724	39.74

Below is a summary of Councillor and staff benefits for the year under review. The increase in salary expenditure year-on-year is due to the filling of critical service delivery positions.

TABLE 183 DETAIL OF PERSONNEL EXPENDITURE

FINANCIAL YEAR	2016/17	2017/18		
DESCRIPTION	ACTUAL R'000	ORIGINAL BUDGET R'000	ADJUSTED BUDGET R'000	ACTUAL R'000
Councillors (Political Office Bearers plus Other)				
Salary	2,820	3,063	3 063	3 080
Pension contributions	541	545	545	515
Medical aid contributions		48	48	60
Motor vehicle allowance	1,112	1,218	1 218	1 163
Cell phone allowance	270	270	270	241
Other allowance				
Sub Total	4,743	5,145	5 145	5 059
% increase/ (decrease)	23.59%	8.47%		
Key Personnel				
Basic salaries and wages	4434	3 916	3 4 14	4 347
Pension and medical aid and UIF contributions	1079	901	901	472
Motor vehicle allowance	399	292	292	314
Cell phone allowance	40	14	14	28
Housing allowance				
Performance bonus	627	524	524	260
Other benefits or allowances	187	449	449	543
Sub Total	6767	6 096	5 595	5 965
% increase/ (decrease)	6.18%			
Other Staff				
Basic salaries and wages	68 838	73 805	73 383	74 159
Pension and UIF contributions	10 828	11 861	11 861	11 907
Medical aid contributions	3 706	3 844	3 844	4 124
Motor vehicle allowance	5 023	5 067	5 067	5 277
Cell phone allowance	376	364	364	411
Housing allowance	1 014	951	951	1 002
Overtime	3 398	3 402	3 402	3 613
Performance bonus	0			

Other benefits or allowances	7402	11 789	10 748	9 084
Sub Total	100 586	111 083	111 008	109 577
Total Municipality	112 096	117 179	116 603	115 542
Total managers and staff	2,820			

CHAPTER 5: FINANCIAL PERFORMANCE

This Chapter provides an overview of the Municipality's performance in terms of the National Key Performance Area (KPA) of **financial viability** as contained in the Local Government: Municipal Planning and Performance Management Regulations of 2001 read together with Section 43 of the MSA.

5.1 OVERVIEW BY THE CHIEF FINANCIAL OFFICER

a) Introduction

The 2017/18 financial year was one of the most challenging financial years in local government history, due to the implementation of the financial reforms - municipal standard chart of accounts (mSCOA) effective from 1 July 2017 as well as the new financial system to accommodate these reforms. Despite this, Cape Agulhas Municipality remains focused and committed to ensuring good governance through sound financial management in an effort to provide affordable, quality and sustainable services within its legislative mandate.

South Africa has experienced a period of protracted economic weakness, which diminishes private investment, which could be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy slightly recovered after a short recession in early 2017; however, the improvement was insufficient due to the continued risks associated with the economic outlook in terms of policy uncertainty and the deterioration in the finances of state-owned entities. The drought that was experienced in several provinces also had a significant impact on the agriculture and tourism industry, which may threaten jobs in these sectors. The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely because of growth in agriculture and mining.

The latest IHS Global Insight update of the Cape Agulhas economy reveals that the average economic growth rate during the past 5 years was 1.7% per annum which reflected slightly less than the anticipated growth rate forecasted by National Treasury of between 1.8 per cent and 2.1 per cent over the next medium term period of three years. These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is required for revenue projections and improved efforts to limit non-priority spending. The Municipality through its Long Term Financial Plan Strategy made an effort to reprioritise its expenditure with the focus on service delivery needs and started with the implementation of stringent cost containment measures aligned with National Treasury directives. The Municipality will have to increase its debt collection rate in excess of 98% in order to demonstrate its ability to spend according to the service delivery and budget implementation plan on key service delivery areas as identified. The implementation of infrastructure and other related projects in the current financial year reflects slightly above the anticipated target of 95%.

The Municipality's financial position is very finely balanced, and as a result, the revenue needs to be correctly priced / collected whilst expenditure needs to be carefully managed within the Municipality's financial capacity. Cash and investments increased in comparison with the previous financial year and the municipality continues with its effort to improve the liquidity profile of the municipality by maintaining a credit score of A through managing credit risk factors such as collection levels, liquidity levels and operational management. The focus therefore remains on strong curtailment of operational expenditure, liquidity and the building of

a cash backed capital replacement reserve (CRR) to cater for future asset replacement expenses and new developments.

The Cape Agulhas Municipality has managed to improve its financial position aligned with the Long Term Financial Plan strategy through efficiency and sound financial practices. The Community Wealth (CRR and Unappropriated Surplus) has increased from approximately R309,28 million to R331,54 million for the financial year under review mainly as a result to increased cash and the Capital Replacement Reserve (CRR) accordingly.

The following paragraphs provide an overview of the municipality's financial performance for the year under review:

b) Operating Results

The Municipality has achieved an operating surplus to the amount of R22,25 million. The positive results are mainly due to an increase in traffic fines issued, contributed assets and gains on the disposal of identified properties and savings accrued in respect of bulk purchases – electricity, employee related costs and transfer and grants. The operating results for the year ended 30 June 2018 are as follows:

TABLE 184 OPERATING RESULTS 2017/18

DETAILS	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
Income			
Grants - Operational	55,133,501	60,448,808	37,463,553
Grants - Capital	12,969,499	12,269,499	20,159,506
Taxes, Levies and tariffs	213,000,254	213,000,254	211,081,512
Other	25,631,035	32,258,134	44,294,020
Sub Total	306,734,289	317,976,695	312,998,591
Less: Expenditure	308,921,678	314,632,200	290,748,498
Net Total*	(2,187,389)	3,344,495	22,250,093

The Municipality's performance, when compared to the budget, must be seen in the context of conservative budgeting practices and the application of strict expenditure control measures aligned with the municipality's budget and virement policy.

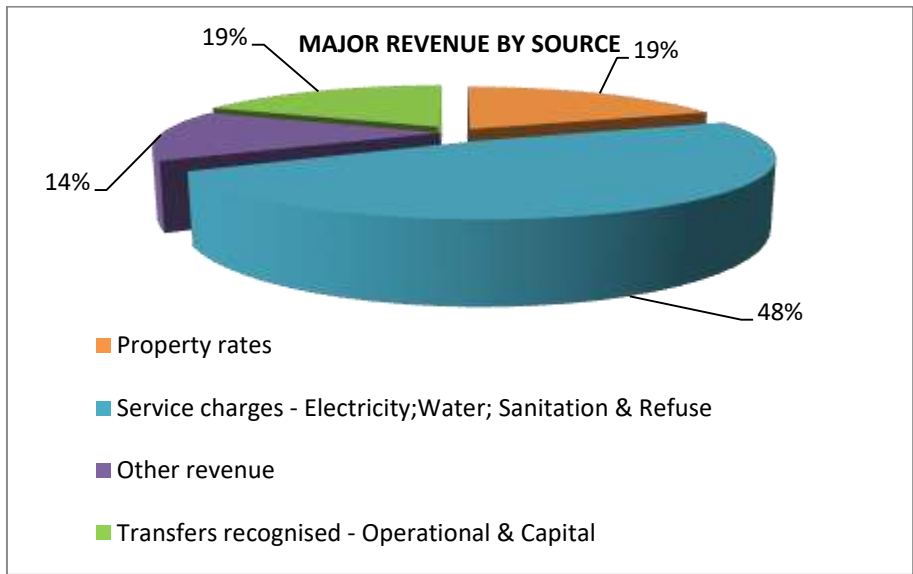
▪ Operating Revenue

The major revenue streams that supported the programmes and activities of the municipality were:

- Property Rates
- Service Charges – Electricity, water, sanitation and refuse
- Grants and Subsidies – Operating & capital
- Other Revenue: - Rental of facilities, interest earned, agency services, fines & other income

The following graph indicates the main categories of revenue for the year under review:

FIGURE 11 MAJOR REVENUE BY SOURCE



The main sources of revenue (67%) are received by way of Property Rates and Service Charges (Own Funding) whilst 19% are received from grants and subsidies in terms of the Division of Revenue Act (DoRA) as well as contributed assets. Conditional grant allocations from Government and other sources are only recognized as revenue to the extent that there has been compliance with the conditions associated with such amounts received.

▪ **Operating Expenditure**

The following graph indicates the main categories of expenditure for the year under review:

FIGURE 12 OPERATING EXPENDITURE BY TYPE

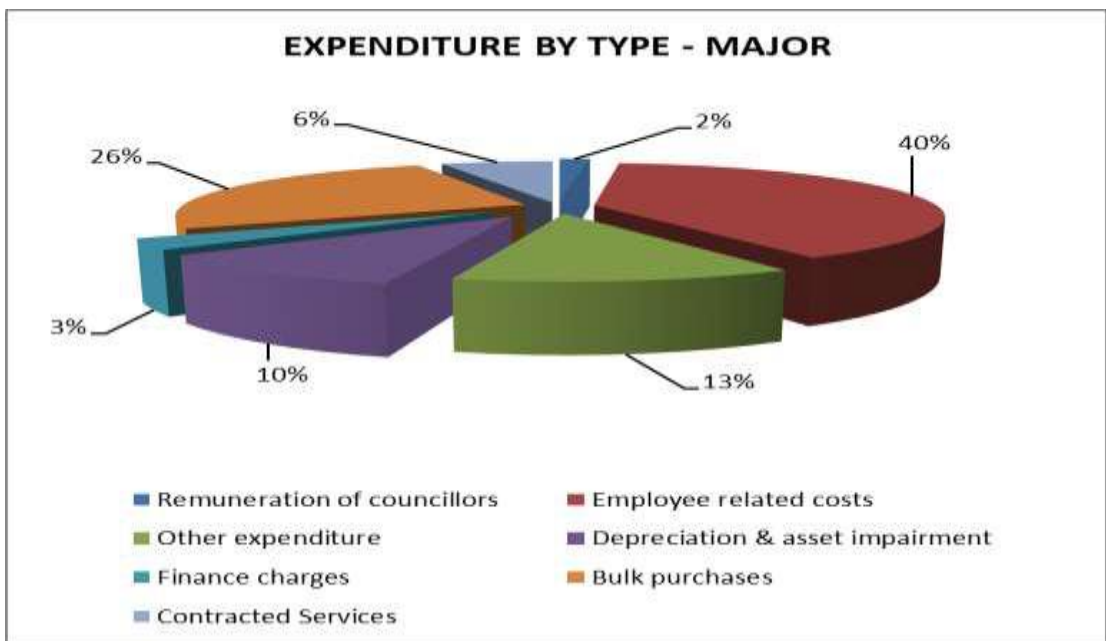


TABLE 185 OPERATING RATIOS

RATIO	%
Employee Cost (Excl. Councillor Remuneration)	39,74%
Bulk Purchases	25,92%
Contracted Services	6,33%
Finance Charges	3,24%
Depreciation & Debt Impairment	10,39%

The Municipality's Employee Cost ratio of 39.74% (Excl. Councillors Remuneration) is the biggest cost driver and is high compared to the municipal norm of 25%-40% set by National Treasury. The approved Long Term Financial Plan identifies it as one of the key challenges and the Municipality is in process of addressing this to ensure future financial sustainability.

Depreciation / Debt Impairment increased by R8,21 million compared to the previous financial year mainly due to the increase in debt impairment for traffic fines and services as a result of the lack of appropriate credit control procedures due to the implementation of the new financial system.

c) Appropriations (Accumulated Surplus / Deficit)

Appropriations for the year amount to a net inflow of R12,250 million which can mainly be attributed to:

▪ Net Surplus for the year	R 22 250 093
▪ Transfer to Capital Replacement Reserve	(R17 389 605)
▪ Property, Plant and Equipment purchased	R 7 389 605

d) Capital Expenditure

Actual expenditure incurred on fixed assets represents an efficiency rate of 95,48% compared to the previous financial year's percentage at 86,21%.

e) Conditional Government Grants

Except for the Department of Cultural Affairs & Sport and the Finance Management Support Grant all other conditional grants have been dealt with in compliance with DoRA with a 100% expenditure rate for the financial year under review. The one unspent conditional grant in respect of the Sports Academy – Floodlighting has been rolled over to the new financial year to the total amount of R400 000. Unspent grants reflected at financial year end are fully cash backed as defined in the municipality's accounting policy

f) External Borrowings

The Municipality reflects external loans to the total amount of R19,26 million from ABSA Bank and Nedbank as at the end of 30 June 2018. Some financial ratios relevant to external borrowings are:

	<u>2017/18</u>	<u>2016/17</u>
Interest Bearing Debt to Own Revenue (Excluding Grants)	7,54%	1,14%

Although the ratio for External Gearing remained low at 7,54% compare to the norm of 45% by National Treasury, %, the potential for Cape Agulhas' to borrow remains limited to the order of 30% due to the current cash position of the Municipality. However, the Municipality is in a strong position to provide assurance that sufficient revenue will be generated to repay its liabilities and have put measures in place in terms of the Long Term Financial Plan Strategy to address the declining cash position of the municipality over the recent years.

g) Cash and Investments

The Municipality's cash and investments to the amount of R47,76 million reflect an increase of R23,40 million compared to the previous financial year. The Municipality currently does not have adequate cash available to cover its operating requirements with a cash coverage of at least three months of the average operational expenditure as per National Treasury best practice guidelines. At the moment the ratio reflects at less than one month at 2,26 which has been identified as risk for improvement in terms of the Long Term Financial Plan Strategy with specific measures on how to improve the Municipality's cash position.

h) Outstanding receivables

The total nett outstanding receivables decreased by R4,15 million compared to the previous financial year. The reported debtor payment ratio reflects slightly above the National Treasury norm of 95% at 96,50% for the financial year under review and the Municipality in terms of the Long Term Financial Plan Strategy target the debt collection rate must remain above 97% to remain financially viable.

i) Outstanding Payables

There is a decrease of outstanding payables to the amount of R7,47 million compared to the previous financial year. Some financial ratios relevant to payables are:

	<u>2017/18</u>	<u>2016/17</u>
Creditors system efficiency	100%	100%

A trademark of the Municipality is its commitment and ability to settle in full its creditors' accounts within the required terms of 30 days or as per applicable legislative requirement. This statement is supported by the constant 100% payment levels to creditors.

j) Ratio Analysis / Benchmarks

Financial viability and sustainability is one of the key performance areas of the Municipality as determined in the IDP. In order to ensure that the Municipality maintains a healthy financial position, appropriate financial ratios / benchmarks are used to assist the Municipality in assessing its financial wealth.

	<u>2017/18</u>	<u>2016/17</u>
Liquidity - Current Ratio	1.80:1	1.27:1

The Liquidity ratio increased from 1.27:1 in 2016/17 to 1.80:1 for the financial year under review. The Municipality performed above the National Treasury norm of 1.5:1 and slightly under the Long Term Financial Plan Strategy ratio target of 2,00:1.

k) Conclusion

According to the key financial indicators, the Municipality has managed to sustain its healthy financial position and in some instances even improved compared to the previous financial year's ratio indicators. The constant decrease in the debtor's collection rate as well as the increase in employee related expenditure as the biggest cost driver remains a concern for immediate action to ensure the long term financial sustainability of the Municipality.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.2 FINANCIAL SUMMARY

The table below provides a summary of the financial performance of the Municipality for the 2017/18 financial year:

TABLE 186 SUMMARY OF FINANCIAL PERFORMANCE

DESCRIPTION	2016/17	2017/18		ACTUAL	2017/18 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET		ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'ooo				%	
Financial Performance						
Property rates	54 802	64 943	60 143	60 732	-6.93	0.97
Service charges	139 117	161 871	152 857	150 350	-7.66	-1.67
Investment revenue	2 131	2 215	2 060	2 821	21.51	26.98
Transfers recognised - operational	33 935	57 206	58 299	37 464	-52.70	-55.61
Other own revenue	29 550	25 680	31 194	41 416	38.00	24.68
Total Revenue (excluding capital transfers and contributions)	259 534	311 915	304 553	292 783	-6.53	-4.02
Employee costs	107 932	124 122	116 603	115 542	-7.43	-0.92
Remuneration of councillors	4 743	5 531	5 145	5 060	-9.30	-1.68
Depreciation & asset impairment	11 020	11 590	10 232	30 196	61.62	66.11
Finance charges	9 307	9 212	9 666	9 433	2.34	-2.48
Materials and bulk purchases	73 082	80 512	76 798	75 358	-6.84	-1.91
Transfers and grants	1 465	2 685	2 808	1 398	-92.01	-100.86
Other expenditure	60 525	87 511	93 009	53 762	-62.78	-73.00
Total Expenditure	268 074	321 162	314 262	290 748	-10.46	-8.09
Surplus/(Deficit)	(8 540)	(9 248)	(9 710)	2 034	554.64	577.35
Transfers recognised - capital	10 816	13 001	18 104	12 457	-4.37	-45.34
Contributions recognised - capital & contributed assets	755	-	-	7 759	100.00	100.00
Surplus/(Deficit) after capital transfers & contributions	3 031	3 753	8 395	22 250	83.13	62.27
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	10 816	13 001	17 592	12 457	-4.37	-41.23
Public contributions & donations	885	-	1 000	7 703	100.00	87.02
Borrowing	2 620	6 983	5 008	4 484	-55.74	-11.70
Internally generated funds	9 959	9 699	10 617	7 390	-31.25	-43.67
Total sources of capital funds	24 280	29 682	34 217	32 033	7.34	-6.82
Financial position						
Total current assets	62 425	47 366	41 845	81 715	42.03	48.79
Total non-current assets	415 477	450 324	431 880	433 484	-3.88	0.37
Total current liabilities	49 360	40 421	44 194	45 334	10.84	2.51

Total non-current liabilities	119 252	150 626	129 151	138 325	-8.89	6.63
Community wealth/Equity	309 290	306 643	300 380	331 540	7.51	9.40
Cash flows						
Net cash from (used) operating	34 497	13 909	11 790	25 700	45.88	54.12
Net cash from (used) investing	(24 125)	(27 137)	(32 486)	(19 072)	-42.29	-70.33
Net cash from (used) financing	(394)	3 609	4 096	16 779	78.49	75.59
Cash/cash equivalents at the year end	9 978	(9 619)	(16 599)	23 407	141.10	170.92
Cash backing/surplus reconciliation						
Cash and investments available		6 415	7 762	-	-	-
Application of cash and investments		(4 884)	11 238	-	-	-
Balance - surplus (shortfall)	-	1 531	19 000	-	-	-
Asset management						
Asset register summary (WDV)	477 902	432 259	431 880	433 484	0.28	0.37
Depreciation & asset impairment	11 020	11 590	10 232	12 035	3.70	14.98
Renewal of Existing Assets		6 215	20 529	23 241	73.26	11.67
Repairs and Maintenance		56 693			#DIV/o!	#DIV/o!
Free services						
Cost of Free Basic Services provided	8 008	8 008	8 008	8 008	0.00	0.00
Revenue cost of free services provided	-	8 036	9 300	9 289	13.49	-0.12
Households below minimum service level						
Water:	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-
Energy:	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1.</i>						

The table below shows a summary of performance against budgets for the 2017/18 financial year:

TABLE 187 PERFORMANCE AGAINST BUDGETS

FINANCIAL YEAR	REVENUE (R'000)				OPERATING EXPENDITURE (R'000)			
	BUDGET	ACTUAL	DIFF.	%	BUDGET	ACTUAL	DIFF.	%
2016/17	276 070	271 105	(465)	-2	286 94	268 74	18 920	7
2017/18	322 657	312 999	(958)	-3	314 262	290 48	23 514	7

5.2.1 REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote for the 2017/18 financial year:

TABLE 188 REVENUE BY VOTE

VOTE DESCRIPTION	2016/17		2017/18		2017/18 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'ooo				%	
Vote 1 - Executive & Council	13 252	25 190	25 190	25 237	0.18	0.18
Vote 2 - Budget & Treasury	60 456	66 723	72 358	78 435	14.93	7.75
Vote 3 - Corporate Services	1 322	1 714	2 014	4 824	64.47	58.25
Vote 4 - Community & Public Safety	27 333	46 536	54 533	28 995	-60.50	-88.08
Vote 5 - Civil Engineering Services	48 212	166 571	166 979	167 805	0.74	0.49
Vote 6 - Electro-technical Services	89 128	-	-	-	-	-
Vote 7 - Other	6 351	-	-	-	-	-
Total Revenue by Vote	246 054	306 734	321 074	305 296	-0.47	-5.17
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

5.2.2 REVENUE COLLECTION BY SOURCE

The table below indicates the revenue collection performance by source for the 2017/18 financial year:

TABLE 189 REVENUE BY SOURCE

DESCRIPTION	2016/17		2017/18		2017/18 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTE D BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'ooo			%		
Property rates	54 802	64 943	60 143	60 732	-6.93	0.97
Property rates - penalties & collection charges	-	-	-	-		
Service Charges - electricity revenue	95 237	103 306	103 306	102 079	-1.20	-1.20
Service Charges - water revenue	24 474	24 342	24 342	22 484	-8.26	-8.26
Service Charges - sanitation revenue	11 350	9 486	9 486	10 346	8.31	8.31
Service Charges - refuse revenue	16 956	15 723	15 723	15 440	-1.83	-1.83
Service Charges - other		-	-	-	#DIV/o!	#DIV/o!
Rentals of facilities and equipment	7 787	2 001	2 056	9 351	78.60	78.02
Interest earned - external investments	2 131	2 215	2 060	2 821	21.51	26.98
Interest earned - outstanding debtors	1 564	1 627	1 496	1 319	-23.32	-13.39
Dividends received		-	-	-	#DIV/o!	#DIV/o!
Fines	6 419	9 964	9 268	11 808	15.62	21.52
Licences and permits	1 109	65	61	1 319	95.09	95.41
Agency services	1 615	2 514	2 419	1 854	-35.58	-30.43
Transfers recognised - operational	33 735	57 206	58 299	37 464	-52.70	-55.61

Other revenue	3 111	31 523	33 999	23 523	-34.01	-44.53
Gains on disposal of PPE					#DIV/o!	#DIV/o!
Total Revenue (excluding capital transfers and contributions)	260 289	324 915	322 657	300 542	-8.11	-7.36
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

5.2.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the operational services performance for the 2017/18 financial year:

TABLE 190 OPERATIONAL SERVICES PERFORMANCE

DESCRIPTION	2016/17	2017/18			2017/18 VARIANCE	
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'000				%	
Operating Cost						
Water	10 490	10 603	10 603	9 038	-17.32	-17.32
Waste Water (Sanitation)	2 681	(803)	(873)	508	258.22	272.01
Electricity	15 337	16 540	16 540	19 107	13.43	13.43
Waste Management	2 063	(3 339)	(3 339)	(2 524)	-32.30	-32.30
Housing	(1 544)	(1 695)	(11 009)	5 010	133.83	319.76
Component A: sub-total	29 027	21 306	11 922	31 138	31.57	61.71
Roads and Stormwater	(11 303)	(15 030)	(15 030)	(15 447)	2.70	2.70
Transport						
Component B: sub-total	(11 303)	(15 030)	(15 030)	(15 447)	2.70	2.70
Planning	(4 954)	(3 124)	(3 124)	(2 275)	-37.31	-37.31
Local Economic Development						
Component C: sub-total	(4 954)	(3 124)	(3 124)	(2 275)	-37.31	-37.31
Libraries	1 052	485	486	352	-37.77	-38.06
Social services & community development	(1 235)	(4 232)	(4 232)	(2 811)	-50.56	-50.56
Component D: sub-total	(182)	(3 747)	(3 746)	(2 459)	-52.39	-52.34
Environmental Protection (Pollution control, bio-diversity, landscape, open spaces, parks, and coastal protection)	(524)	(779)	(779)	(873)	10.81	10.81
Component E: sub-total	(524)	(779)	(779)	(873)	10.81	10.81
Traffic & licensing	(2 563)	(1 040)	(1 040)	(1 251)	16.91	16.91
Fire Services and Disaster Management						
Component F: sub-total	(2 563)	(1 040)	(1 040)	(1 251)	16.91	16.91
Holiday Resorts and Campsites	925	(349)	(349)	951	136.68	136.68
Swimming Pools, Stadiums and Sport Ground	(3 353)	(3 510)	(3 510)	(3 666)	4.26	4.26
Community halls, facilities, Thusong centres	(1 006)	(4 018)	(4 018)	(3 797)	-5.81	-5.81
Component G: sub-total	(3 434)	(7 876)	(7 876)	(6 512)	-20.94	-20.94
Financial Services	31 984	25 472	28 112	31 765	19.81	11.50
Office of the MM	(2 516)	(2 868)	(2 868)	(2 593)	-10.59	-10.59
Administration	(1 665)	(3 342)	(3 342)	(2 865)	-16.68	-16.68
HR	(4 889)	(9 066)	(9 066)	(5 975)	-51.74	-51.74
Component H: sub-total	22 914	10 196	12 836	20 333	49.85	36.87

Total Expenditure	28 981	(93)	(6 837)	22 653	100.41	130.18
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In this table, operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

5.3 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.3.1 WATER SERVICES

TABLE 191 FINANCIAL PERFORMANCE: WATER SERVICES

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'ooo				%
Total Operational Revenue	25 162	24 344	24 344	23 354	-4.24
Expenditure:					
Employees	8 736	9 674	8 532	8 755	-10.50
Repairs and Maintenance	-	-	-	-	-
Other	5 936	4 067	5 209	5 561	26.86
Total Operational Expenditure	14 672	13 741	13 741	14 316	4.02
Net Operational (Service)	10 490	10 603	10 603	9 038	-17.32

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.3.2 WASTE WATER (SANITATION)

TABLE 192 FINANCIAL PERFORMANCE: WASTE WATER (SANITATION) SERVICES

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'ooo				%
Total Operational Revenue	11 672	9 508	9 508	10 628	10.54
Expenditure:					
Employees	5 090	5 508	5 508	4 895	-12.53
Repairs and Maintenance	-	-	-	-	-
Other	3 901	4 803	4 873	5 225	8.07
Total Operational Expenditure	8 991	10 311	10 381	10 120	-1.89
Net Operational (Service)	2 681	(803)	(873)	508	258.22

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.3.3 ELECTRICITY

TABLE 193 FINANCIAL PERFORMANCE: ELECTRICITY

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	97 763	104 438	104 438	105 761	1.25
Expenditure:					
Employees	5 886	7 214	6 742	5 886	-22.55
Repairs and Maintenance	-	-	-	-	-
Other	76 540	80 684	81 156	80 768	0.10
Total Operational Expenditure	82 427	87 898	87 898	86 654	-1.44
Net Operational (Service)	15 337	16 540	16 540	19 107	13.43

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.3.4 WASTE MANAGEMENT

TABLE 194 FINANCIAL PERFORMANCE: WASTE MANAGEMENT

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	16 983	15 723	15 723	15 674	-0.32
Expenditure:					
Employees	4 789	5 136	5 136	5 274	2.62
Repairs and Maintenance	-	-	-	-	-
Other	10 131	13 926	13 926	12 924	-7.76
Total Operational Expenditure	14 921	19 062	19 062	18 198	-4.75
Net Operational (Service)	2 063	(3 339)	(3 339)	(2 524)	-32.30

Variances are calculated by dividing the difference between the actual and original budget by the actual.

5.3.5 ROADS AND STORMWATER

TABLE 195 FINANCIAL PERFORMANCE: ROADS AND STORMWATER

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue					
Expenditure:					
Employees	7 724	8 986	8 986	9 391	4.31
Repairs and Maintenance	-	-	-	-	-
Other	3 579	6 044	6 044	6 056	0.20
Total Operational Expenditure	11 303	15 030	15 030	15 447	2.70
Net Operational (Service)	(11 303)	(15 030)	(15 030)	(15 447)	2.70

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.6 LIBRARIES

TABLE 196 FINANCIAL PERFORMANCE: LIBRARIES

DESCRIPTION	2017/18	2016/17			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	5 616	5 654	5 654	5 672	0.31
Expenditure:					
Employees	2 854	4 615	4 615	4 907	5.95
Repairs and Maintenance	-	-	-	-	-
Other	1 709	554	553	413	-34.14
Total Operational Expenditure	4 564	5 169	5 168	5 320	2.84
Net Operational (Service)	1 052	485	486	352	-37.77

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.7 ENVIRONMENTAL PROTECTION

TABLE 197 FINANCIAL PERFORMANCE: ENVIRONMENTAL PROTECTION

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	352	614	614	637	3.71
Repairs and Maintenance	-	-	-	-	-
Other	173	165	165	236	29.98
Total Operational Expenditure	524	779	779	873	10.81
Net Operational (Service)	(524)	(779)	(779)	(873)	10.81

Variations are calculated by dividing the difference between the actual and original budget by the actual..

5.3.8 SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

TABLE 198 FINANCIAL PERFORMANCE: SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	546	1 322	1 322	195	-576.97
Expenditure:					
Employees	1 381	3 737	3 737	2 186	-70.98
Repairs and Maintenance	-	-	-	-	-
Other	399	1 817	1 817	820	-121.47

Total Operational Expenditure	1 781	5 554	5 554	3 006	-84.76
Net Operational (Service)	(1 235)	(4 232)	(4 232)	(2 811)	-50.56
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.3.9 TRAFFIC AND LAW ENFORCEMENT

TABLE 199 PERFORMANCE: TRAFFIC AND LAW ENFORCEMENT

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	9 671	11 857	11 857	15 196	21.97
Expenditure:					
Employees	6 207	7 460	7 460	7 123	-4.74
Repairs and Maintenance	-	-	-	-	-
Other	6 028	5 437	5 437	9 324	41.70
Total Operational Expenditure	12 234	12 897	12 897	16 447	21.59
Net Operational (Service)	(2 563)	(1 040)	(1 040)	(1 251)	16.91
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.3.10 HOLIDAY RESORTS AND CAMPSITES

TABLE 200 FINANCIAL PERFORMANCE: HOLIDAY RESORTS AND CAMPSITES

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	6 203	6 364	6 364	7 295	12.76
Expenditure:					
Employees	3 797	3 886	3 886	3 830	-1.46
Repairs and Maintenance	-	-	-	-	-
Other	1 480	2 827	2 827	2 514	-12.43
Total Operational Expenditure	5 278	6 712	6 712	6 344	-5.81
Net Operational (Service)	925	(349)	(349)	951	136.68
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.3.11 SWIMMING POOLS AND SPORT GROUNDS

TABLE 201 FINANCIAL PERFORMANCE: SWIMMING POOLS AND SPORT GROUNDS

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	195	734	734	367	-99.85
Expenditure:					

Employees	2 674	3 302	3 302	3 381	2.36
Repairs and Maintenance	-	-	-	-	-
Other	873	942	942	652	-44.51
Total Operational Expenditure	3 547	4 244	4 244	4 033	-5.22
Net Operational (Service)	(3 353)	(3 510)	(3 510)	(3 666)	4.26
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.3.12 COMMUNITY FACILITIES AND THUSONG CENTRES

TABLE 202 FINANCIAL PERFORMANCE: COMMUNITY FACILITIES AND THUSONG CENTRES

DESCRIPTION	2016/17	2017/18			VARIANCE TO BUDGET
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST-MENT BUDGET	ACTUAL	
	R'000				
Total Operational Revenue	101	109	109	162	32.71
Expenditure:					
Employees	815	2 589	2 589	2 509	-3.19
Repairs and Maintenance	-	-	-	-	#DIV/o!
Other	291	1 538	1 538	1 451	-6.03
Total Operational Expenditure	1 106	4 127	4 127	3 959	-4.23
Net Operational (Service)	(1 006)	(4 018)	(4 018)	(3 797)	-5.81
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.3.13 OFFICE OF THE MUNICIPAL MANAGER

TABLE 203 FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER

DESCRIPTION	2016/17	2017/18			VARIANCE TO BUDGET
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST-MENT BUDGET	ACTUAL	
	R'000				
Total Operational Revenue		-	-	-	-
Expenditure:					
Employees	2 047	2 349	2 349	2 110	-11.31
Repairs and Maintenance	-	-	-	-	-
Other	469	519	519	483	-7.43
Total Operational Expenditure	2 516	2 868	2 868	2 593	-10.59
Net Operational (Service)	(2 516)	(2 868)	(2 868)	(2 593)	-10.59
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.3.14 ADMINISTRATION

TABLE 204 FINANCIAL PERFORMANCE: ADMINISTRATION

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue		1 714	1 714	2 141	19.94
Expenditure:					
Employees	1 332	3 751	3 751	3 740	-0.29
Repairs and Maintenance	-	-	-	-	-
Other	333	1 306	1 306	1 265	-3.19
Total Operational Expenditure	1 665	5 056	5 056	5 005	-1.02
Net Operational (Service)	(1 665)	(3 342)	(3 342)	(2 865)	-16.68

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.15 HUMAN RESOURCES

TABLE 205 FINANCIAL PERFORMANCE: HUMAN RESOURCES

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	849	-	300	3 089	100.00
Expenditure:					
Employees	3 964	6 691	6 691	6 313	-5.99
Repairs and Maintenance	-	-	-	-	-
Other	1 774	2 375	2 675	2 750	13.66
Total Operational Expenditure	5 738	9 066	9 366	9 063	-0.03
Net Operational (Service)	(4 889)	(9 066)	(9 066)	(5 975)	-51.74

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.3.16 FINANCIAL SERVICES

TABLE 206 FINANCIAL PERFORMANCE: FINANCIAL SERVICES

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	61 263	66 723	72 358	78 435	14.93
Expenditure:					
Employees	13 466	20 885	22 145	21 312	2.00
Repairs and Maintenance	-	-	-	-	-
Other	15 813	20 365	22 102	25 359	19.69
Total Operational Expenditure	29 279	41 251	44 246	46 671	11.61

Net Operational (Service)	31 984	25 472	28 112	31 765	19.81
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.3.17 HOUSING

TABLE 207 FINANCIAL PERFORMANCE: HOUSING

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	-	20 450	20 450	6 804	-200.54
Expenditure:					-
Employees	1 440	1 532	1 532	1 651	7.22
Repairs and Maintenance	-	-	-	-	-
Other	104	20 613	29 927	144	-14226.06
Total Operational Expenditure	1 544	22 145	31 459	1 795	-1133.89
Net Operational (Service)	(1 544)	(1 695)	(11 009)	5 010	133.83
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.3.18 PLANNING

TABLE 208 FINANCIAL PERFORMANCE: PLANNING

DESCRIPTION	2016/17	2017/18			
	ACTUAL (AUDITED OUTCOME)	ORIGINAL BUDGET	ADJUST- MENT BUDGET	ACTUAL	VARIANCE TO BUDGET
	R'000				%
Total Operational Revenue	1 212	270	270	489	44.84
Expenditure:					
Employees	4 335	2 224	2 224	2 253	1.26
Repairs and Maintenance	-	-	-	-	-
Other	1 831	1 170	1 170	511	-128.75
Total Operational Expenditure	6 166	3 394	3 394	2 764	-22.79
Net Operational (Service)	(4 954)	(3 124)	(3 124)	(2 275)	-37.31
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.4 GRANTS

5.4.1 GRANT PERFORMANCE

The Municipality receives grants from the National and Provincial Governments during the 2017/18 financial year for infrastructure development and other projects.

TABLE 209 GRANT PERFORMANCE

DESCRIPTION	2016/17	BUDGET	2017/18	ACTUAL	2017/18 VARIANCE	
	ACTUAL (AUDITED OUTCOME)		ADJUST- MENTS BUDGET		ORIGINAL BUDGET	ADJUST- MENTS BUDGET
	R'000				%	
Operating Transfers and Grants						
National Government:	37 462	39 989	39 989	39 989	0.00	0.00
Equitable Share	23 075	25 190	25 190	25 190	0.00	0.00
Financial Management Grant	1 475	1 550	1 550	1 550	0.00	0.00
Municipal Systems Improvement Grant	–					
Municipal Infrastructure Grant	10 501	11 118	11 118	11 118	0.00	0.00
Expanded Public Works Program	1 210	1 131	1 131	1 131	0.00	0.00
Integrated National Electricity program	1 000	1 000	1 000	1 000	0.00	0.00
Seta Eise (Opleiding)	201					
Provincial Government:	8 107	27 113	27 113	26 769	-1.29	-1.29
Library Grant	5 350	5 583	5 583	5 583	0.00	0.00
Thusong Centre	211					
Housing	–	20 450	20 450	20 450	0.00	0.00
Subsidie PAWK	52	84	84	84	0.00	0.00
CDW Grant	56	56	56	56	0.00	0.00
FMG Provincial	368	240	240	240	0.00	0.00
Municipal Infrastructure Support grant	870					
Department of sport arts and culture	700	700	700	356	-96.63	-96.63
Department of Energy	500					
Prov Contribution acceleration of housing						
RDP Housing - Electricity						
Proclaimed Roads						
Other grant providers:	–	1 950	950	950	-105.26	0.00
DPLG Support grant		950	950	950		
VUUP Grant		1 000	–			
Total Operating Transfers and Grants	45 569	69 052	68 052	67 708	-1.98	-0.51
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

5.4.2 CONDITIONAL GRANTS

The performance in the spending of conditional grants is summarised as follows:

TABLE 210 CONDITIONAL GRANTS

DETAILS	2016/17	BUDGET	2017/18	ACTUAL	2017/18 VARIANCE	
	ACTUAL		ADJUST-		VARIANCE	ADJUST-
	ACTUAL (AUDITED OUTCOME)		MENTS BUDGET		BUDGET	MENTS BUDGET
	R'000				%	
Equitable Share	23 075	25 190	25 190	25 190	0.00	0.00
Financial Management Grant	1 475	1 550	1 550	1 550	0.00	0.00
Municipal Systems Improvement Grant	-				-	-
Municipal Infrastructure Grant	10 501	11 118	11 118	11 118	0.00	0.00
Expanded Public Works Program	1 210	1 131	1 131	1 131	0.00	0.00
Integrated National Electricity program	1 000	1 000	1 000	1 000	0.00	0.00
Seta Eise (Opleiding)	201				-	-
Library Grant	5 350	5 583	5 583	5 583	0.00	0.00
Thusong Centre	211				-	-
Housing	-	20 450	20 450	20 450	0.00	0.00
Subsidie PAWK	52	84	84	84	0.00	0.00
CDW Grant	56	56	56	56	0.00	0.00
FMG Provincial	368	240	240	240	0.00	0.00
Municipal Infrastructure Support grant	870	-	-	-	-	-
Department of sport arts and culture	700	700	700	356	-96.63	-96.63
Department of Energy	500	-	-	-		
VUUP Grant		1 000	-	-		
DPLG Support grant		950	950	950		
Total	45 569	69 052	68 052	67 708	-1.98	-0.51
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

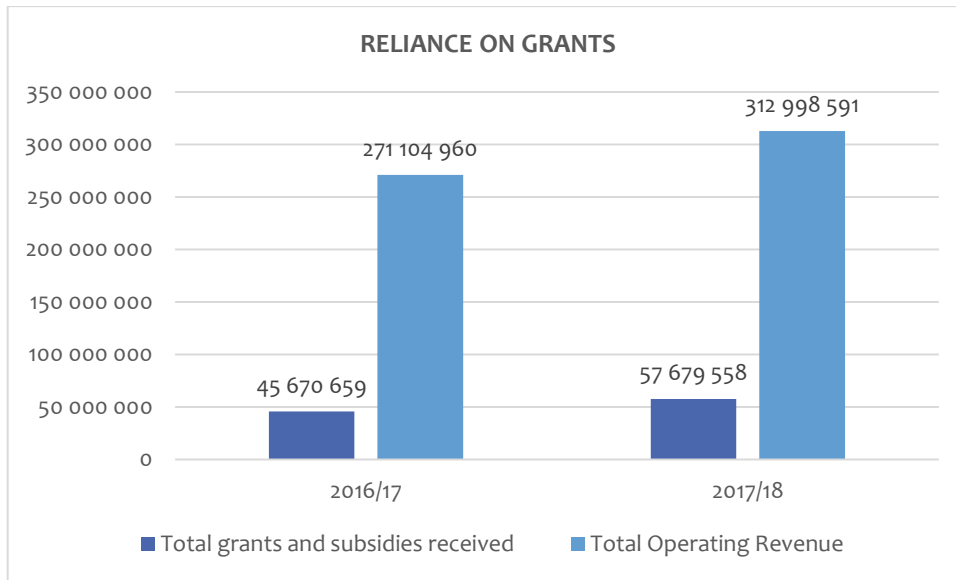
5.4.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

TABLE 211 RELIANCE ON GRANTS

FINANCIAL YEAR	TOTAL GRANTS AND SUBSIDIES RECEIVED	TOTAL OPERATING REVENUE	PERCENTAGE
	R'000		%
2016/17	45 671	271 105	16.85
2017/18	57 680	312 999	18.43

The following graph indicates the Municipality's grants and subsidies received compared to operating revenue for the last two financial years.

FIGURE 13 GRANTS AND SUBSIDIES RECEIVED COMPARED TO THE TOTAL OPERATING REVENUE



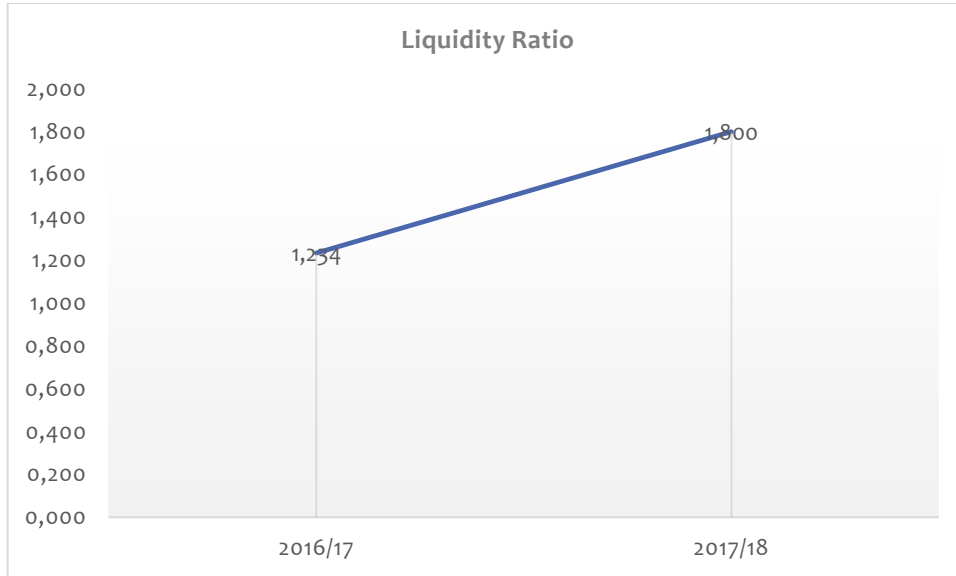
5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 LIQUIDITY RATIO

TABLE 212 LIQUIDITY FINANCIAL RATIO

DESCRIPTION	BASIS OF CALCULATION	2016/17	2017/18
		AUDITED OUTCOME	AUDITED OUTCOME
Current Ratio	Current assets/current liabilities	1.265	1.803
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.864	1.154
Liquidity Ratio	Monetary Assets/Current Liabilities	1.234	1.800

FIGURE 14 LIQUIDITY RATIO



5.5.2 NATIONAL FINANCIAL VIABILITY INDICATORS

TABLE 213 NATIONAL FINANCIAL VIABILITY KPI's

DESCRIPTION	BASIS OF CALCULATION	2016/17 AUDITED OUTCOME	2017/18 AUDIT OUTCOME
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.09	2.26
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.175	10.470
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	390.61	72.82

FIGURE 15 COST COVERAGE

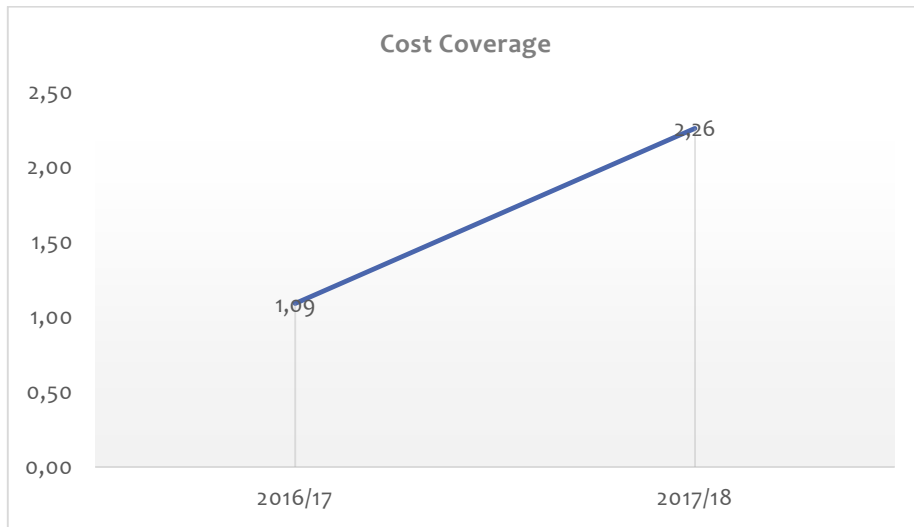


FIGURE 16 OUTSTANDING SERVICE DEBTORS

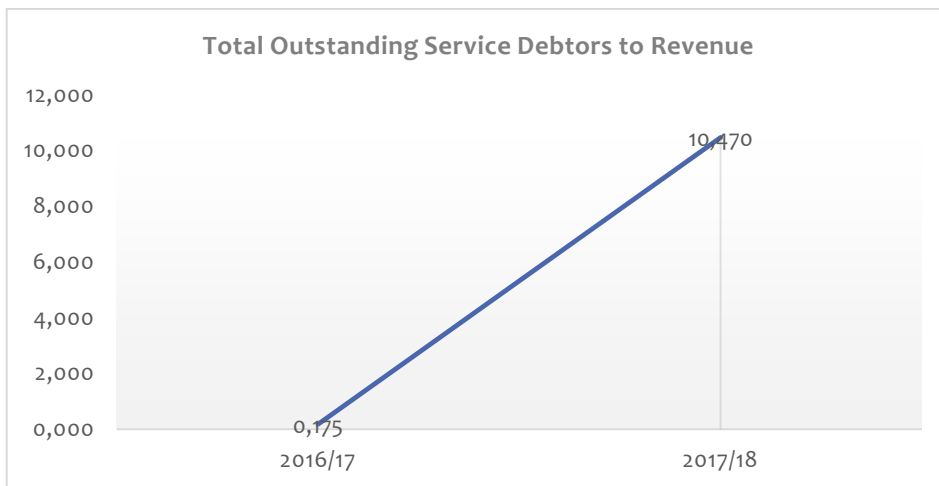
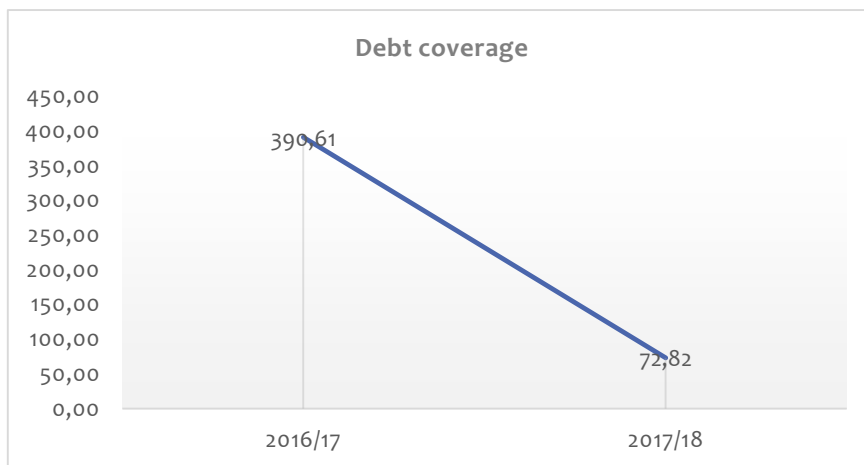


FIGURE 17 DEBT COVERAGE

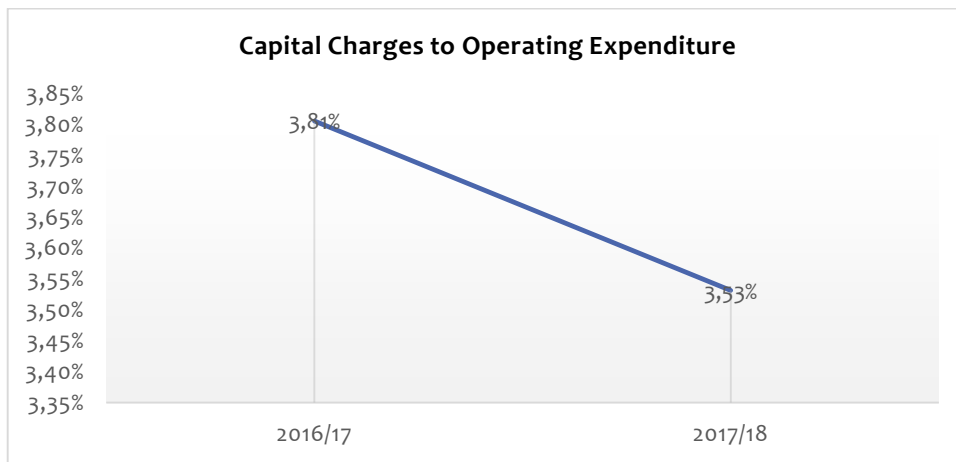


5.5.3 BORROWING MANAGEMENT

TABLE 214 BORROWING MANAGEMENT

DESCRIPTION	BASIS OF CALCULATION	2016/17	2017/18
		AUDITED OUTCOME	AUDITED OUTCOME
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.81%	3.53%

FIGURE 18 BORROWING MANAGEMENT

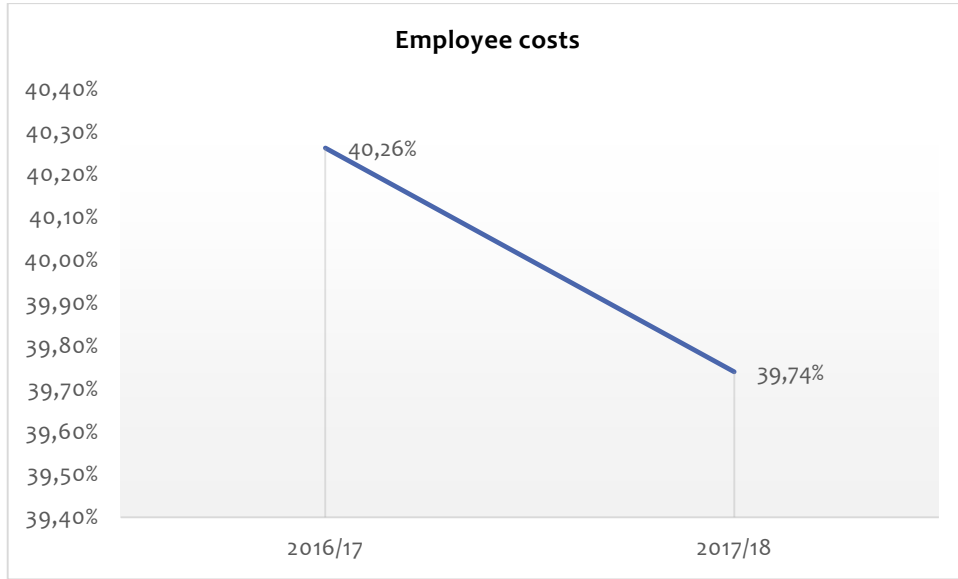


5.5.4 EMPLOYEE COSTS

TABLE 215 EMPLOYEE COSTS

DESCRIPTION	BASIS OF CALCULATION	2016/17	2017/18
		AUDITED OUTCOME	AUDITED OUTCOME
Employee costs (Including Councillors)	Employee costs/(Total Revenue - capital revenue)	40.26%	39.74%

FIGURE 19 EMPLOYEE COSTS



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM

TABLE 216 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM

DESCRIPTION	2016/17	2017/18			PLANNED CAPITAL EXPENDITURE		
	AUDITED OUTCOME	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	2018/19	2019/20	2020/21
R'000							
Capital expenditure by Asset Class							
Infrastructure - Total	15 618	17 695	24 853	23 432	20 250	24 114	-
Infrastructure: Road transport - Total	7 410	11 897	15 861	15 516	15 158	14 901	-
Roads, Pavements & Bridges	7 410	11 897	15 861	15 516	15 158	14 901	
Infrastructure: Electricity - Total	4 277	2 411	3 410	3 153	3 743	7 000	-
Transmission & Reticulation	3 572	2 261	3 260	3 153	3 593	7 000	
Street Lighting	705	150	150		150		
Infrastructure: Water - Total	2 303	2 160	2 723	1 917	1 350	950	-
Dams & Reservoirs	2 303	2 160	2 723	1 917	1 350	950	
Infrastructure: Sanitation - Total	1 579	877	2 178	2 517	-	1 263	-
Reticulation	1 579	877	2 178	2 517		1 263	
Infrastructure: Other - Total	49	350	680	330	-	-	-
Waste Management	49	350	680	330			
Community - Total	2 905	3 548	2 472	1 897	4 820	2 190	-
Parks & gardens		934	320	116	1 400	950	
Sports fields & stadia		700	680	489	670	240	
Community halls	1 113			91			
Libraries		159	240	191			
Recreational facilities	979	450	453	769			
Other	813	1 305	780	241	2 750	1 000	
Capital expenditure by Asset Class	5 757	6 422	6 892	6 703	4 612	2 899	-
Heritage assets - Total	-	-	-	-	-	-	-
Investment properties - Total	-	-	-	-	-	-	-
Other assets	3 667	5 238	5 242	5 073	4 612	2 899	-
General vehicles	178	2 300	2 448	522	1 875	1 500	
Plant & equipment	1 197	1 116	1 040	2 895	1 235	357	
Computers - hardware/equipment	2 292	443	461	1 533	256	165	
Other		1 380	1 293	122	1 246	878	
Agricultural assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Intangibles	2 091	1 184	1 650	1 631	-	-	-

DESCRIPTION	2016/17	2017/18			PLANNED CAPITAL EXPENDITURE		
	AUDITED OUTCOME	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	2018/19	2019/20	2020/21
R'000							
Computers - software & programming	2 091	1 184	1 650	1 631			
Total Capital Expenditure on new assets	24 280	27 665	34 217	32 033	29 682	29 203	-
<u>Specialised vehicles</u>	-	-	-	-	-	-	-

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2016/17 financial year:

TABLE 217 CAPITAL EXPENDITURE BY FUNDING SOURCE

DETAILS	2016/17		2017/18			
	AUDITED OUTCOME	ORIGINAL BUDGET (OB)	ADJUSTMENT BUDGET	ACTUAL	ADJUSTMENT TO OB VARIANCE	ACTUAL TO OB VARIANCE
Source of finance						
Description	R'000				%	
External loans	2 573	5 661	5 008	4 484	-11.53	-9.27
Public contributions and donations	799	-	1 000	7 703		
Grants and subsidies	13 197	12 969	17 592	12 457	35.64	-39.60
Own funding	4 696	9 034	10 617	7 390	17.52	-35.72
Total	21 265	27 665	34 217	32 033	23.68	-7.90
Percentage of finance						
External loans	12	20	15	14	-28.47	-3.12
Public contributions and donations	4	0	3	24		
Grants and subsidies	62	47	51	39	9.67	-26.72
Own funding	22	33	31	23	-4.99	-24.37
Capital expenditure						
Description	R'000				%	
Water and sanitation	3 597	2 160	2 723	1 917	26.07	-37.34
Electricity	4 020	2 411	3 410	3 153	41.46	-10.67
Housing	155					
Roads and storm water	4 243	11 897	15 861	15 516	33.32	-2.90
Other	9 250	11 197	12 222	11 447	9.16	-6.92
Total	21 265	27 665	34 217	32 033	23.68	-7.90
Percentage of expenditure						
Water and sanitation	17	8	8	6	1.93	-25.30
Electricity	19	9	10	10	14.37	-1.42
Housing	1	0	0	0		
Roads and storm water	20	43	46	48	7.79	4.84
Other	43	40	36	36	-11.75	0.04

5.8 TREATMENT OF THE THREE LARGEST ASSETS

TABLE 218 TREATMENT OF THE THREE LARGEST ASSETS

Asset 1		
Name	Roads and Stormwater	
Description	Stormwater Pipeline - Area F	
Asset Type	Infrastructure	
Key Staff Involved	Manager: Water and Sanitation	
Staff Responsibilities	Management of stormwater network	
Asset Value as at 30 June 2018	2016/17 R million	2017/18 R million
		5 798
Capital Implications	None	
Future Purpose of Asset	Basic service delivery	
Describe Key Issues	RDP housing projects - Infrastructure requirements	
Policies in Place to Manage Asset	Asset management policy / Infrastructure plan	
Asset 2		
Name		
Description	Ou Meule link to Swellendam Road	
Asset Type	infrastructure	
Key Staff Involved	Manager: Roads	
Staff Responsibilities	Manager: Roads	
Asset Value as at 30 June 2018	2016/17 R million	2017/18 R million
		1 247
Capital Implications	None	
Future Purpose of Asset	Basic service delivery	
Describe Key Issues	Expanding the capacity of roads network	
Policies in Place to Manage Asset	Asset management policy / Infrastructure plan	
Asset 3		
Name	Finance and Administration	
Description	Vesta Financial system	
Asset Type	Computers - software and programming	
Key Staff Involved	Chief Financial Officer	
Staff Responsibilities	Financial management administration	
Asset Value as at 30 June 2018	2016/17 R million	2017/18 R million
		1 615
Capital Implications		
Future Purpose of Asset	Financial system administration and record keeping	
Describe Key Issues	mSCOA implementation	
Policies in Place to Manage Asset	Financial regulations and MFMA	

5.9 CAPITAL SPENDING ON THE LARGEST PROJECTS

The tables below show the Municipality’s capital spending on its five largest projects.

TABLE 219 CAPITAL SPENDING ON LARGEST PROJECTS

NAME OF PROJECT		ORIGINAL BUDGET	ADJUSTMENT BUDGET	2017/18 ACTUAL EXPENDITURE	ORIGINAL VARIANCE	ADJUSTMENT VARIANCE
		R'000	R'000		%	
A	Stormwater pipeline - Area F	5 184	5 798	5 798	0	(o)
B	Nuwerus Streets	1 247	1 247	1 247	-	(o)
C	Ou Meule Link to Swellendam Road (B/dorp)	1 316	1 316	1 316	-	(o)
D	Electricity project - DORA funded	1 000	1 000	1 000	-	(o)
E	Vesta Financial system (mSCOA)	1 150	1 615	1 615	0	(o)

Name of Project - A	Stormwater pipeline - Area F
Objective of Project	Basic service delivery
Delays	0
Future Challenges	None
Anticipated citizen benefits	Basic service delivery

Name of Project - B	Nuwerus Streets
Objective of Project	Basic service delivery
Delays	0
Future Challenges	None
Anticipated citizen benefits	Basic service delivery

Name of Project - C	Ou Meule Link to Swellendam Road (B/dorp)
Objective of Project	Basic service delivery
Delays	0
Future Challenges	None
Anticipated citizen benefits	Basic service delivery

Name of Project - D	Electricity project - DORA funded
Objective of Project	Basic service delivery
Delays	0
Future Challenges	None
Anticipated citizen benefits	Basic service delivery

Name of Project - E	Vesta Financial system (mSCOA)
Objective of Project	Financial sustainability
Delays	0
Future Challenges	None
Anticipated citizen benefits	Financial system improvements

5.10 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Although there are currently no serious backlogs in the municipal area, the continuous influx of people in our area to the informal settlements are putting a burden on the service delivery of the Municipality which might be regarded as a risk due a possible increase in future backlogs.

5.10.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

TABLE 220 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

DETAILS	BUDGET	ADJUST- MENTS BUDGET	ACTUAL	VARIANCE	
				BUDGET	ADJUST- MENTS BUDGET
		R'000		%	%
Infrastructure - Roads	7 866 770	8 480 806	8 480 806	7.24	0.00
Roads	2 682 585	2 682 585	2 682 585	0.00	0.00
Water purification	5 184 185	5 798 221	5 798 221	10.59	0.00
Infrastructure - Sanitation	877 193	877 193	877 193	0.00	0.00
Reticulation					
Sewerage purification	877 193	877 193	877 193	0.00	0.00
Infrastructure - Refuse removal					
Infrastructure - Electricity					
Street Lighting					
Other Specify:	814 036	200 000	200 000	-307.02	0.00
Outdoor Sport facilities	814 036	200 000	200 000	-307.02	0.00
Total	9 557 999	9 557 999	9 557 999	0.00	0.00

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**5.11 CASH FLOW**

The following table shows the Municipality's Cash flow from operating activities for the 2016/17 financial year.

TABLE 221 CASH FLOW

DESCRIPTION	2016/17	ORIGINAL	2017/18	ACTUAL
	AUDITED OUTCOME	BUDGET	ADJUSTED BUDGET	
R'000				
Cash flow from operating activities				
Receipts				
Ratepayers and other	198 060	236 061	204 153	207 504
Government - operating	33 905	57 206	72 809	37 260
Government - capital	11 516	13 001	12 238	12 112
Interest	3 695	2 215	2 060	4 141
Dividends	-			
Payments				
Suppliers and employees	(211 522)	(284 078)	(275 937)	(233 425)
Finance charges	(353)	(751)	(770)	(490)
Transfers and Grants	(1 464)	(2 685)	(2 763)	(1 398)
Net cash from/(used) operating activities	33 837	20 969	11 790	25 703
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	20	1 250	1 700	4 919
Decrease (Increase) in non-current debtors	283	197	257	217
Decrease (increase) other non-current receivables	27	27	31	8
Decrease (increase) in non-current investments				
Payments				
Capital assets	(23 511)	(29 682)	(34 217)	(24 000)
Net cash from/(used) investing activities	(23 181)	(28 208)	(32 228)	(18 856)
Cash flows from financing activities				
Receipts				
Short term loans	-			
Borrowing long term/refinancing	220	6 983	5 473	17 400
Payments				
Repayment of borrowing	(897)	(3 189)	(1 634)	(837)
Increase in Consumer Deposits				
Net cash from/(used) financing activities	(677)	3 794	3 839	16 563
Net increase/ (decrease) in cash held	9 979	(3 446)	(16 600)	23 410
Cash/cash equivalents at the year begin:	14 384	(3 441)	24 361	24 361
Cash/cash equivalents at the year-end:	24 362	(6 886)	7 762	47 771

5.12 GROSS OUTSTANDING DEBTORS PER SERVICE

TABLE 222 GROSS OUTSTANDING DEBTORS PER SERVICE

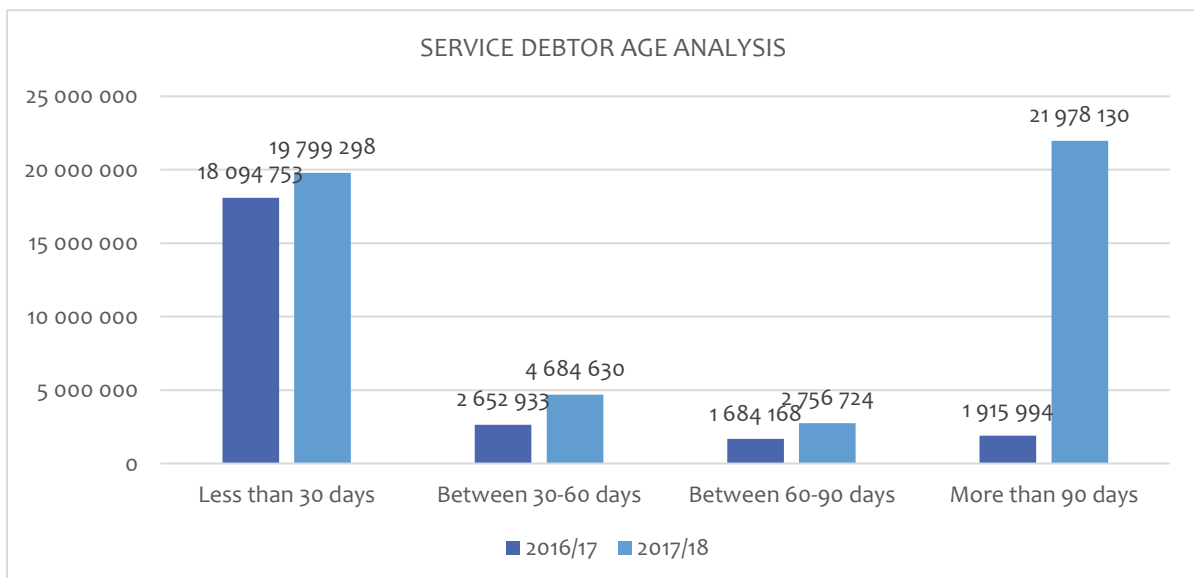
FINANCIAL YEAR	RATES (R'000)	TRADING SERVICES	ECONOMIC SERVICES	HOUSING RENTALS (R'000)	OTHER (R'000)	TOTAL (R'000)
		(ELECTRICITY AND WATER) (R'000)	(SANITATION AND REFUSE) (R'000)			
2016/17	3 675	13 203	2 099	–	5 370	24 348
2017/18	10 168	21 309	5 088	–	9 653	46 219
Difference	6 493	8 106	2 989	–	4 283	21 871
% growth year on year	177	61	142		80	0

5.13 TOTAL DEBTORS AGE ANALYSIS

TABLE 223 SERVICE DEBTOR AGE ANALYSIS

FINANCIAL YEAR	LESS THAN 30 DAYS	BETWEEN 30-60 DAYS	BETWEEN 60-90 DAYS (R'000)	MORE THAN 90 DAYS	TOTAL
2016/17	18 095	2 653	1 684	1 916	24 348
2017/18	19 799	4 685	2 757	21 978	49 219
Difference	1 705	2 032	1 073	20 062	24 871
% growth year on year	9	77	64	1 047	102

FIGURE 20 SERVICE DEBTORS AGE ANALYSIS



5.14 BORROWING AND INVESTMENTS

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.14.1 ACTUAL BORROWINGS

TABLE 224 ACTUAL BORROWINGS

INSTRUMENT	2015/16	2016/17
	R'000	
Long-Term Loans (annuity/reducing balance)	2 012	15 753
TOTAL	2 012	15 753

5.14.2 INVESTMENTS

The Municipality had no investments for the financial year.

COMPONENT D: OTHER FINANCIAL MATTERS**5.15 SUPPLY CHAIN MANAGEMENT**

The Supply Chain Management Policy was revised 29 May 2018 to fully comply with the SCM Regulations and recommendations made during the 2016/17 financial year audit. This was done as part of the annual budget policy review.

No Councillors are members of any committee handling the supply chain processes. The supply chain officials received ongoing training and have completed the prescribed MFMA Competency Regulations. Provincial Treasury quarterly working forum meetings are attended regularly in order to promote the professional development of SCM practitioners within the municipalities in the Western Cape and create a culture of cohesion between municipalities and the Directorate: Local Government Supply Chain Management.

5.16 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance ensures that municipal accounts are comparable and more informative for the municipality. It also ensures that the municipality is more accountable to its citizens and other stakeholders. GRAP was fully implemented in the Municipality in the 2010/11 financial year and the financial statements of 2017/18 are fully GRAP compliant.

5.17 SOUTHERNMOST DEVELOPMENT AGENCY (PTY) LTD

It must be noted that, during 2012, the Council took a decision to establish a Local Development Agency (Southernmost Development Agency (Pty) Ltd) to assist the Municipality in the establishment and implementation of local economic development projects. This entity was duly established and the Board of Directors appointed from October 2012. However, during the process of establishment and the development phase, it was found that the establishment and running of the entity will create additional expenses for the Municipality which cannot be afforded due to its very strict budget. After various meetings with all role-players and considering all possible options, the Council resolved on 28 May 2013 to liquidate and disestablish the agency. We are in process of de-registering the agency.

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION 2016/17

6.1 AUDITOR-GENERAL REPORT 2016/17

TABLE 225 AG REPORT ON FINANCIAL PERFORMANCE 2016/17

Auditor-General Report on Financial Performance 2016/17	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There were some findings during the audit which required non-material changes to the annual financial statements	<p>The items were corrected during the audit and the necessary changes made and submitted to the auditors during the audit</p> <p>The findings will also be taken up in an action plan to address the root cause of the corrections. The progress on the implementation of the corrective measures will be reported to Council on a monthly basis</p>

TABLE 226AG REPORT ON SERVICE DELIVERY PERFORMANCE 2016/17

Auditor-General Report on Service Delivery Performance: 2016/17	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There were some findings regarding the accuracy of the reported achievement found during the audit, which required changes to the performance report (which forms part of the Municipality's annual report). One material change was made on the actual achievement relating to indigent households	<ul style="list-style-type: none"> • The corrections were made during the audit and submitted to the auditors • A coaching and mentoring program has since been launched with all the Directorates regarding the requirements and quality of evidence substantiating the actual performance. • The findings will also be taken up in an action plan to address the root cause of the corrections. The progress on the implementation of the corrective measures will be reported to Council on a monthly basis

COMPONENT B: AUDITOR-GENERAL OPINION 2017/18

6.2 AUDITOR-GENERAL REPORT 2017/18

TABLE 227AG REPORT ON FINANCIAL PERFORMANCE 2017/18

Auditor-General Report on Financial Performance 2017/18	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There were some findings during the audit which required changes to the annual financial statements as well as correction of prior year errors that were highlighted during the audit	<p>The items were corrected during the audit and the necessary changes made and submitted to the auditors during the audit</p> <p>The findings will also be taken up in an action plan to address the root cause of the corrections. The progress on the implementation of the corrective measures will be reported to Council on a monthly basis as well as the Audit Committee on a quarterly basis</p>

TABLE 228AG REPORT ON SERVICE DELIVERY PERFORMANCE 2017/18

Auditor-General Report on Service Delivery Performance: 2017/18	
Audit Report Status:	Unqualified with no other matters
Non-Compliance Issues	Remedial Action Taken
There was some material findings regarding the accuracy of the reported achievement of objectives found during the audit which required changes to the performance report (which forms part of the Municipality's annual report)	<ul style="list-style-type: none"> • The corrections were made during the audit and submitted to the auditors. • The findings will also be taken up in an action plan to address the root cause of the corrections. The progress on the implementation of the corrective measures will be reported to Council on a monthly basis and the Audit Committee on an annual basis.

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